DRAFT LETTER OF OFFER
Dated: July 14, 2022
For Eligible Equity Shareholders Only

G G ENGINEERING LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "G G Engineering Private Limited" bearing Registration Number 159174 dated January 23, 2006 issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, our Company was converted into public limited company and name of our Company was changed to "G G Engineering Limited" and a fresh Certificate of Incorporation dated April 3, 2017 was issued by Registrar of Companies, Mumbai, Maharashtra. As on date of this Draft Letter of Offer, the Corporate Identification Number of our Company is L28900MH2006PLC159174.

Registered Office: Office No. 203,2nd Floor, Shivam Chambers, Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai, Maharashtra-400104, India
Tel: +91 766-931-8144, **Fax**: N.A., **Website:** www.ggengg.in; **E-mail:** cs.ggeng@gmail.com;
Company Secretary and Compliance Officer: Ms. Sapna Tehanguriya
PROMOTERS: MR. VINOD H BERIWAL & MR. KAMAL BERIWAL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF G G ENGINEERING LIMITED ("COMPANY" OR "ISSUER") ONLY

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹. 1/- EACH ("RIGHTS EQUITY SHARES") OF G G ENGINEERING LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹. [●] PER EQUITY SHARE) AGGREGATING TO LESS THAN ₹. 5000.00 LAKHS ("ISSUE") ON RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, [●]. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 192 OF THIS DRAFT LETTER OF OFFER.

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor any of our Promoters or Directors has been categorized as a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 20 of this Draft Letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on Bombay Stock Exchange of India Limited (hereinafter referred as BSE or the Stock Exchanges). Our Company has received in- principle' approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters even dated **[●]**. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTAR TO THE ISSUE

KFIN Technologies Limited
SEBI Registration No.: INR000000221
Address: Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032
Tel No: +91 40 6716 2222; Fax No: + 91 40 2343 1551
Email: murali.m@kfintech.com; Website: www.kfintech.com
Contact Person: Mr. Murali Krishna

OFFER PROGRAMME

ISSUE OPENS ON: [●]	LAST DATE OF MARKET RENUNCIATION: [●]	ISSUE CLOSES ON: [●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
 # Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time not exceeding 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us' or similar terms are to G G Engineering Limited as the context requires, and references to 'you' are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in chapter titled "Industry Overview", "Statement of Tax Benefits", "Financial Statements", "Outstanding Litigations, Defaults, and Material Developments" and "Terms of the Issue" on pages 49, 45, 84, 179 and 192 respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
G G Engineering - We or – us or – our Company or – the Issuer – or - the Company	Unless the context otherwise requires, refers to G G Engineering Limited, a company incorporated under the Companies Act, 1956, bearing Corporate Identification Number L28900MH2006PLC159174 and having registered office at Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment, Mumbai, MH 400104.

Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of G G Engineering Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled – Our Management on page 78 of this Draft Letter of Offer.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, being M/s SGN & CO, Chartered Accountants.
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ending March 31, 2022, and March 31, 2021;
Board of Directors / Board/ Director(s)	The Board of Directors of G G Engineering Limited, including all duly constituted Committees thereof.

Terms	Description
Central Registration Centre (CRC)	It is an initiative of Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Sapna Tehanguriya.
Chief Financial Officer	The Chief Financial Officer of our Company being Mr. Uttam Kumar.
Depositories Act	The Depositories Act, 1956, as amended from time to time.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 1 /- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.
Independent Directors	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled "Our Management" beginning on page 78 of this Draft Letter of Offer.
ISIN	International Securities Identification Number being INE694X01022
HUF	Hindu Undivided Family.
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Managerial Personnel /Key ManagerialEmployees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled Our Management on page 78 of this Draft Letter of Offer.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of G G Engineering Limited.
Non Residents	A person resident outside India, as defined under FEMA.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations
NRIs / Non Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters or Our Promoters	Mr. Vinod H Beriwal & Mr. Kamal Beriwal.
Promoters Group	The companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, and which are disclosed by the Company to the Stock Exchange form time to time.
Registered Office	The Registered Office of our company which is located at Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment, Mumbai, Maharashtra-400104, India.
RoC	Registrar of Companies, Mumbai, Maharashtra.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR)	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as

Terms	Description
Regulations	amended.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

Issue Related Terms

Terms	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof ofregistration of the Bid cum Application Form.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Rights Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Letter of Offer.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Letter of Offer.
Application Form	Unless the context otherwise requires, an application form (through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being **[●]**.
Banker(s) to the Issue Agreement	Agreement dated **[●]** entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application through the ASBA facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement

Terms	Description
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled "Terms of the Issue" beginning on page 192 of this Draft Letter of Offer.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Stock Exchange	BSE Limited or BSE.
Draft Letter of Offer	Draft Letter of Offer filed with BSE dated July 14, 2022.
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of G G Engineering Limited as on the Record Date
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Letter of Offer constitutes an invitation to subscribe to the Equity Shares offered herein.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors - original shareholders as on record date making an Application through the ASBA facility.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being **[●].**
Issue/ Rights Issue	Rights Issue of up to **[●]** Equity Shares of our Company for cash at a price of ₹ **[●]**/- (Rupees **[●]**) per Rights Equity Share aggregating to less than ₹ 5000.00 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of **[●]** i.e. (**[●]**) (**[●]**) Rights Equity Share for every **[●]** (**[●]**) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. **[●]**
Issue Closing Date	The date on which Issue closes for subscription is [●]
Issue Opening Date	The date on which Issue opens for subscription is [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Letter of Offer being ₹. [●] per Equity Share of face value of ₹.1/- each fully paid.
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being less than ₹. 5000 Lakhs.
Letter of Offer/ LoF	The final letter of offer to be filed with the SEBI and Stock Exchanges after incorporating the observations received from the Stock Exchanges on the Letter of

Terms	Description
	Offer.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled "Objects of the Issue" beginning on page 39 of this Draft Letter of Offer.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹.2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of₹. 2,500 Lakh, pension fund with minimum corpus of₹. 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refunds through electronic transfer offunds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to the Offer being KFIN Technologies Limited. For more information please refer "General Information" on page 33 of this Draft Letter of Offer.
Registrar Agreement	Agreement dated [●] entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation

Terms	Description
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., [●].
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than₹. 2,00,000.
Rights Entitlement (s)/ Res	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Equity Share for every [●]. Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html or at such other website as may be prescribed by SEBI from time to time.
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Draft Letter of Offer are open for business 1. However, in respect of announcement of price band and bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Letter of Offer are open for business 2. In respect to the time period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B2B	Business to Business
BSE	Bombay Stock Exchange
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP	Depository Participant
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and theregulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FPO	Follow on Public Offer
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwisestated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
Ind AS	Indian Accounting Standards
ICSI	Institute of Company Secretaries Of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NGT	National Green Tribunal
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
Plots	Parcel of land demarcated through boundary
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
RERA	Real Estate Regulatory Authority
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

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NOTICE TO INVESTORS

The distribution of this draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company.

Further, the Draft Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, SEBI and the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this, Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("United States"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States. The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

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CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND CURRENCY OF PRESENTATION

Unless otherwise specified or the context otherwise requires, all references to "India" contained in this Draft Letter of Offer are to the Republic of India and the "Government" or "GoI" or the "Central Government" or the "State Government" are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the "US" or "U.S." or the "United States" are to the United States of America and its territories and possessions. Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

FINANCIAL DATA

Unless stated otherwise or unless the context otherwise requires, the financial information and data in this Draft Letter of Offer, with respect to our Company, is derived from our audited financial statements. For details, please see "Financial Information" beginning on page 84 of this Draft Letter of Offer.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "Financial Year" or "Fiscal Year" or "Fiscal" are to the 12 (twelve) months period ended on March 31 of that year.

The GOI has adopted the Indian Accounting Standards ("Ind AS"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("IFRS") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "Ind AS Rules"). The Audited Financial Statements of our Company for the Financial Year ended on March 2022 and March 2021 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Draft Letter of Offer (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

All numerical values as set out in this draft Letter of Offer, for the sake of consistency and convenience, have been rounded off to two decimal places. In this draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

CURRENCY AND UNITS OF PRESENTATION

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in "lakhs". The amounts derived from financial statements included herein are represented in "lakhs", as presented in the Audited Financial Statements and the Unaudited Financial Statements. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Draft Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Draft Letter of Offer has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified.

The industry data used in this Draft Letter of Offer has not been independently verified by our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

The extent to which market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 20 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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FORWARD LOOKING STATEMENTS

All statements contained in the Draft Letter of Offer that are not statements of historical facts constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, and other matters discussed in the Draft Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward – looking statement.

These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- impact of Covid 19 pandemic or any future pandemic;
- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Adverse natural calamities having significant impact on regions where we are having projects under implementation;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- fluctuations in operating costs
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;

- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled "*Risk Factors*", "*Our Business*" beginning on page numbers 20 and 68, respectively of this Draft Letter of Offer.

Forward looking statements reflects views as of the date of the Draft Letter of Offer and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

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SECTION II - SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigations, Defaults and Material Developments” beginning on pages 20, 39, 68 and 179 of this Draft Letter of Offer, respectively.

SUMMARY OF OUR INDUSTRY

We are into the business of trading of diesel generator, a combination of diesel engine with electrical generator, which is a reliable power supply device. It is used for generating electricity to provide continuous power supply during power interruptions. It is mostly used as a standby device during power outages or at places with no connection to a power grid. Factors driving the diesel generator market include increasing need for uninterrupted & reliable power supply and increasing number of power outages.

The diesel generator market has been segmented on the basis of application, power rating, end-user, and region

SUMMARY OF OUR BUSINESS

Our Company is in the engaged in the business of trading of Steel Pipes and Diesel Generator set, various industrial engines, marine engines. We supply steel pipes, industrial engines for various applications, marine engines, and spare parts for diesel genset to the local and international markets.

Earlier, we were engaged in manufacturing and installation of Diesel Genset. However, in the year 2021-2022 the company had discontinued its operation situated at Palej Industrial Estate, Bharuch, Gujrat pertaining to Genset manufacturing. Recently, we have launched our latest pathogen-protection products to empower people, communities and organizations to defend against the novel coronavirus and other deadly pathogens which includes PET Bottels Crushing Machines and PET Bottels Shreeding Machines.

For detailed information on the business of our Company please refer to “Our Business” beginning on page number 68 of this Draft Letter of Offer.

OUR PROMOTERS

The Promoters of our Company are Mr. Vinod H Beriwal* and Mr. Kamal Beriwal.

** The company has received intimation from Mr. Vinod H Beriwal requesting for reclassification under Reg 30 and 31A of SEBI (LODR) Regulations 2015, of their category from ‘Promoter’ to ‘Public’. The company has given intimation to BSE, vide letter dated June 25, 2022 regarding the requests for reclassification under Reg 30 and 31A of SEBI (LODR) Regulations 2015, of category from ‘Promoter’ to ‘Public’. The aforesaid reclassification is pending for approval by shareholders of the company.*

OBJECTS OF THE ISSUE

The intended use of the Proceeds of the Issue by our Company is set forth in the following table:

(Amount In Lakhs.)

Sr. No.	Particulars	Total Estimated Amount to be Utilized
Gross Proceeds from the Issue		[●]
Less: Issue expenses		[●]
Net Proceeds from the Issue		[●]

(Amount In Lakhs.)

Sr. No.	Particulars	Total Estimated Amount to be Utilized
1.	Working Capital Requirements	[●]
2.	General Corporate Purpose	[●]
	Total Net Proceeds	[●]

For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 39 of this Draft Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER GROUP

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favor by any other Promoter or member(s) of the Promoter Group of our Company.

Any such subscription for Right Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the Financial Information as at and for the financial year ended on March 31, 2022 and 2021:

(Amount In Lakhs.)

Particulars	March 31, 2022	March 31, 2021
Paid-up Capital	1031.00	1031.00
Reserve & Surplus	585.16	466.40
Net Worth	1616.17	1497.41
Revenue from operation	1514.39	2775.69
Profit after tax	(23.92)	16.82
Earnings per Share (basic & diluted) (in ₹)	(0.046)	0.032
	(0.044)	0.036
Net Asset Value per Equity Share (in ₹)	3.14	2.90
Total Borrowings		
• Long term Borrowings	-	69.76
• Short term Borrowings	143.02	376.05

Note: The financial information is as per Standalone Financial Statement of the company for the financial year ending on March 31, 2022 and 2021.

SUMMARY OF OUTSTANDING LITIGATIONS

Type of Proceedings	Number of Cases	Approx. Amount Involved
Litigations filed against our Company		
Income Tax matters	1	75,22,748
Litigations involving Actions by Statutory/Regulatory Authorities	2	2,50,000 + 18% Interest
Litigation filed by our Company		
NIL		
Litigation involving our Promoters		
NIL		
Litigation involving our Subsidiaries		
NIL		

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled "Risk Factors" beginning on page 20 of this Draft Letter of Offer.

CONTIGENT LIABILITIES

For details of the contingent liabilities, as reported in the Audited Financial Statements, please refer to the section titled "Financial Statements" beginning on page 84 of this Draft Letter of Offer.

RELATED PARTY TRANSACTION

For details of the related party transactions, as reported in the Audited Financial Statements, please refer to the section titled "Financial Statements" beginning on page 84 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Draft Letter of Offer.

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

The Company in its Extra Ordinary General Meeting held on April 24, 2021 has approved the sub - division of 1,03,10,045 (One Crore Three Lakhs Ten Thousand Forty Five) Equity Shares of face value of Rs.10/- (Rupees Ten) each to 5,15,50,225 (Five Crores Fifteen Lakhs Fifty Thousand Two Hundred Twenty Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each aggregating to Rs. 10,31,00,450 (Rupees Ten Crores Thirty One Lakhs Four Hundred Fifty only).

Thereafter, the Company on 29th May, 2022 announced the results of the Resolutions passed through Postal Ballot .i.e. approving the sub - division of 5,15,50,225 (Five Crores Fifteen Lakhs Fifty Thousand Two Hundred Twenty Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each to 10,31,00,450 (Ten Crores Thirty One Lakhs four Hundred Fifty) Equity Shares of face value of Rs. 1/- (Rupees One) each aggregating to Rs. 10,31,00,450/- (Rupees Ten Crores Thirty One Lakhs Four Hundred Fifty only).

SECTION III- RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of offer, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled "Our Business" beginning on page numbers 68 *of this Draft Letter of Offer as well as the other financial and statistical information contained in this Draft Letter of Offer. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled "Financial Information" beginning on page number* 84 *of this Draft Letter of Offer.*

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Letter of Offer were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

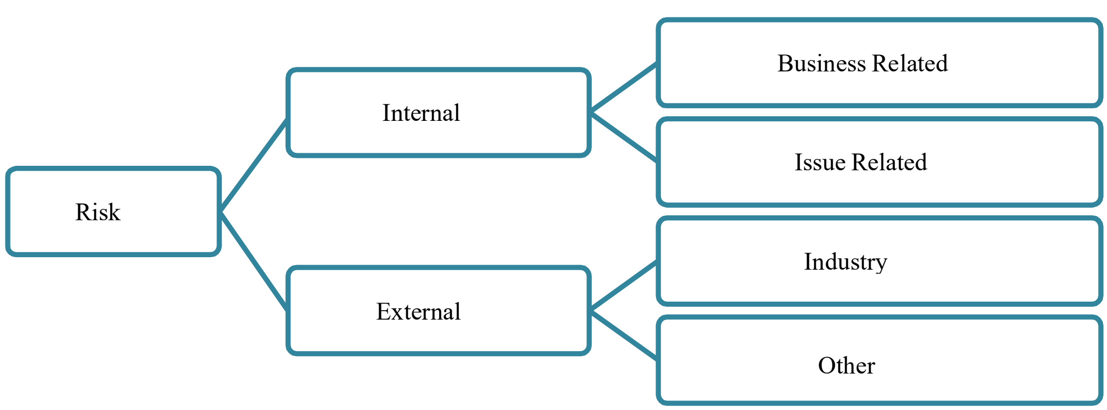
This Draft Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Letter of Offer. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

The Risk factors have been determined based on their materiality, which has been decided based on following factors:

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors



Business Related Risks

1. **The novel coronavirus (Covid-19) pandemic outbreak and steps taken control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.**

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be reintroduced in the future. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak and the discovery of a new strain of the coronavirus in the United Kingdom. Further the State Governments reinstated complete lockdown conditions and/or imposed additional restrictions owing to the "second wave" of the pandemic during the first quarter of the current financial year.

The rapid spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. While the Government of India and other governments in the world have initiated its COVID-19 vaccination drive, there is still some uncertainty relating to the impact of the COVID-19 pandemic on the global and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. Accordingly, if the uncertainty relating to the impact of the COVID-19 pandemic continues, our business operations may be impacted adversely.

The impact of COVID-19 pandemic on the overall economic environment still being uncertain. Any risks arising on account of a fresh round of COVID-19 such as in relation to lockdown, slowdown of economic activities, loss of life and debilitation of key personnel can have an adverse effect on our business, results of operations, cash flows and financial condition.

We are not able to predict the duration and severity of the economic conditions arising out of a fresh outbreak of COVID-19 pandemic and as a consequence, our financial results for a particular period are difficult to predict.

2. **The company is in the process of change in Registered Office from Mumbai to Delhi, the application for which is pending before the authorities. The proposed Registered Office of our Company is also not owned by us.**

The current registered office is situated at Office No. 203, 2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Mumbai, Maharashtra-400104. The registered office of our Company belongs to Mr. Sanjay Negandhi and we have taken the same on rent from him.

However, the company has filed an application with ROC- Mumbai and Regional Director for change in registered office of the company from Mumbai to Delhi. The application is pending for approval. The proposed registered office of the company in Delhi is on lease also. Till the completion of change in registered office to Delhi, we have established a corporate office at 306, Shivam House, 3rd Floor, Karampura, Commercial Complex, Opposite Milan Cinema, New Delhi-110015.

The continuous change and shifting of work may adversely affect our business operations. Any discontinuance of such lease arrangement will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

3. **If the Company is unable to develop new products or improve upon its existing products at the rate that the market requires, the Company's business and financial condition could be adversely affected.**

The Company believes that its future success depends, in part, on the ability to develop new technologically advanced products or improve on the Company's existing products in innovative ways that meet or exceed its competitor's product offerings. Maintaining the Company's market position will require continued monitoring of technological advances that from global research and development efforts and sales and marketing. Industry standards, customer expectations, or other products may emerge that around render one or more of the Company's products less desirable or obsolete. The Company may be unsuccessful in making the technological advances necessary to develop new products or improve its existing products to maintain its market position. If any of these events do occur, it could cause decrease in sales and have an adverse effect on the Company's business, financial position, results of operations and cash flow.

4. **There are certain outstanding Litigations involving our Company, our Promoter, our Directors and our Group Entities and any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.**

A Summary of material outstanding legal proceedings involving our Company and our Subsidiaries as on date of this Draft Letter of Offer, including the approximate amount involved to the extent ascertainable, is set out below:

Litigations involving our Company

Type of Proceedings	Number of Cases	Approx. Amount Involved
Litigations filed against our Company		
Income Tax matters		75,22,748
Litigations involving Actions by Statutory/Regulatory Authorities		2,50,000 + 18% Interest
Litigation filed by our Company		
NIL		
Litigation involving our Promoters		
NIL		
Litigation involving our Subsidiaries		
NIL		

5. **The Shareholding of our Promoter and Promoter Group is 3.36% only.**

We are dependent on our Promoter, our senior management, directors and key personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently. The aggregate or consolidated shareholding or the voting rights of our *Promoters and Promoter Group* is very low i.e. 3.36%. The promoters of the company do not have much control in the company.

Our promoters, directors and KMP are responsible for the efficient functioning of the company, having many years of collective experience in the industry. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently.

Due to lower percentage of holding, there are probable chances of acquisition and hostile takeover by outsiders over the company which may lead to change in management too. Any change in management or shareholding or voting rights may reduce the interests of the current management and promoters of the company, which may have adverse impact on the goodwill and business operations of the company. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

6. **The “Promoter/Promoter Group” had requested the company for reclassification of shareholders to the "Public" Category.**

In this Offer Document, we have mentioned that our promoters are Mr. Vinod H. Beriwal and Mr. Kamal Beriwal. However, the promoters and promoter group of our company has requested the company for reclassification, the details of which are given in chapter *‘Our Promoter’* and *‘Our Promoter Group’*.

The Company vide its letter dated June 25, 2022 intimated the Stock Exchange for receipt of request of reclassification of 5 “Promoter/Promoter Group” shareholders to the "Public" Category in accordance with Regulation 30 and 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Promoter/Promoter Group. The aforesaid request is pending before the Exchange.

After approval of said request, the company will have only one promoter, i.e., Mr. Kamal Beriwal. Such reclassification may have adverse impact on the goodwill and business operations of the company.

7. **Our Subsidiary “Shashi Beriwal and Company Private Limited” is loss making.**

Our Subsidiary, Shashi Beriwal and Company Private Limited is making Losses in the previous years which can have a negative impact on the Consolidated Financial Statements of our Company. The Financials of the Subsidiary Company are hereunder:

(Amount In Rupees)

Particulars	2021-2022	2020-2021
Revenue From Operations	7,40,94,745	9,66,01,048
Other Income	8,43,950	7,10,574
Total Income	**7,49,38,695**	**9,73,11,622**
Total Expenses	6,76,35,775	10,73,03,178
Profit Before Tax	**73,02,920**	**(99,91,556)**
Current Tax	11,39,256	-
Deferred Tax	(2,43,761)	-1,07,722
Profit After Tax	**64,07,425**	**(98,83,834)**

8. **Our business is dependent on a continuing relationship with our clients/customers.**

We supply Steel Pipes, Reverse Vending Machines, various industrial, Marine engines and diesel generator sets, ranging from 20 KVA to 125 KVA (20 kW to 100 kW). All these products are involving high costs, involving huge transactions. Our business is therefore significantly dependent on developing and maintaining relationships with various customers. Our business will be adversely affected if we are unable to develop and maintain relationships with our clients/customers. The loss of clients/customers may have a material adverse effect on our operations.

9. **Our inability to manage growth could result in disruptions in our business and performance.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Whilst we have generally been successful in execution of our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations. While we have been able to successfully execute our business strategy in the past, the same may not be achievable in the future. Further, rapid growth could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management to meet the challenges of rapid growth could cause disruptions to our business and could be detrimental to our long-term business outlook.

10. **We depend on our management team and the loss of team members may adversely affect our business.**

There have been changes in management in the recent past. We believe that we have a team of professionals to oversee the operations and growth of our business. We have a number of technically qualified people in each area of our activity. If one or more members of our management team are unable or unwilling to continue in their present positions because of various factors, such persons would be difficult to replace and our business would be adversely affected. We may lose members of our key management team to our clients or competitors.

11. **Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity details of which are given below. Sustained negative cash flows could impact our growth and business.**

Our Company had reported certain negative cash flows from its operating activity, investing activity and financing activity in the previous years. The details of cash generated from operating activity, investing activity and financing activity, as per the standalone audited financial statements and the same are summarized as under:

Particulars	For the year ended March 31,		
	2022	2021	2020
Cash flow from Operating Activities	(1013.57)	124.67	719.69
Cash flow from Investing Activities	1208.30	(79.35)	(95.49)
Cash flow from Financing Activities	(200.49)	(59.18)	155.55

Note: The above information is as per the Standalone Financial Statements.

12. **The discontinuation of operations at our manufacturing units had a material adverse effect on our results of operations and financial condition.**

Our manufacturing units were subject to operating risks, such as labour disputes, natural disasters and accidents, etc. The shut down of manufacturing unit have caused unprofitable margins, irregular competition, unforeseen revival of healthy competition and other adverse economic conditions. No assurance can be given that this could not have further material adverse effect on our results of operations and financial condition in the future.

13. **We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our working capital requirements, there may be an adverse effect on our results of operations.**

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and execution of work on projects before payment is received from clients. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us. We may need to borrow additional funds in the future to fulfill our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

14. **Our insurance coverage may not adequately protect us against certain operating risks and this may have a material adverse impact on our business.**

We have maintained insurance coverage of our assets and accident policies as specified in section titled "Our Business" on page 68 of the Draft Letter of Offer. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

15. **The Company does not own Trade Mark for the Company's brands.**

As on the Date of this Draft Letter of Offer, the Company does not own any Trade Mark for the Company's brands, as elaborated in the chapter titled 'Our Business'. Further, as on date, the Company does not have an effective system, to protect its existing intellectual property rights. In the event of any infringement or misuse of our brand names, the Company may not be able to obtain timely injunctive or equitable relief, which may have material adverse effect on our business and financial performance. Further, the Company neither uses any patented process nor produces any product which is protected by any patent. It has also not sought any patent protection for any of its products or processes.

16. **Our success depends largely upon the knowledge and experience of our Directors and Key Managerial Personnel. Any loss of any of our Directors or key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.**

Our Directors and Key Managerial Personnel have several years of and has requisite knowledge and experience of the business. This experience of our management gives us a competitive edge over other players operating in the market. Our Company is dependent on the management skills and guidance of our Directors and Key Managerial Personnel for marketing and growth of our business. Our Directors, along with our key managerial personnel, who form an integral part of our Company, have over the years built relations with government agencies, suppliers, customers and other key stakeholders associated with our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or key managerial personnel are unable or unwilling to continue in his / her present position, and if we are unable to find a suitable or timely replacement then our business could be adversely affected. This may adversely affect our financial condition and results of operations.

17. **The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue size is less than Rs. 100,00,00,000 (Rupees One Hundred Crores) there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

18. **We participate and operate in competitive markets with low barriers to entry which may increase competition and have a material adverse effect on our business, financial condition and results of operations.**

We operate in highly competitive market segments that are highly fragmented among several market participants. In this industry, we compete with numerous multinational and Indian companies with sizeable market shares as well as the broader industry comprising numerous small competitors.

Moreover, barriers to entry for the market segments in which we operate are generally low as the investment cost is very high. We anticipate these low barriers to entry, combined with forecast growth potential in the steel industry, will lead to increased competition both from established players as well as from new entrants in the industry. This could include attrition of our staff to our competitors or our staff establishing competitive enterprises.

19. **Non-compliance with and changes in, safety, health, environmental and labor laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows**

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labor. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances. Further, our products, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation.

Issue Related Risks

20. **SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.**

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 192 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

21. **Our Company will not distribute this Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.**

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the Offering Materials) to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

22. **Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.**

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

23. **Applicants to this Issue are not allowed to withdraw their applications after the Issue closing date.**

Applicants in this Issue are not allowed to withdraw their Applications after the Issue closing date. The allotment in this Issue and the credit of such Rights Equity securities to the applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

24. **Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.**

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

25. **There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.**

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future. Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons.

Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

26. **Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

27. **Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.**

Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements and capital expenditures. The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends.

28. **Any future issuance of Equity Shares may dilute the investor's shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

29. **After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.**

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

a. Volatility in the Indian and global capital market;

b. Company’s results of operations and financial performance;

c. Performance of Company’s competitors,

d. Adverse media reports on Company or pertaining to our Industry;

e. Changes in our estimates of performance or recommendations by financial analysts;

f. Significant developments in India’s economic and fiscal policies; and

g. Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

30. **Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.**

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

External Risk Factors:

31. **Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

32. **A slowdown in economic growth in India could cause our business to suffer.**

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

33. **Natural calamities and force majeure events may have an adverse impact on our business.**

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

34. **Changes in the Government Policy could adversely affect economic conditions in India generally and our business in particular.**

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

35. **Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

36. **Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.**

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

37. **Instability in financial markets could materially and adversely affect the Company's results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and the Company, thereby resulting in a material and adverse effect on the Company's business, operations, financial condition, profitability and price of the Company's Equity Shares.

38. **Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition**.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

39. **We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control.**

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

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SECTION IV- INTRODUCTION THE ISSUE

This Issue has been authorised by the Board of Directors by way of a Board Resolution dated April 27, 2022 in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirely by, more detailed information in "Terms of the Issue" beginning on page 192 of this Draft Letter of Offer.

Particulars	Details of Number of Shares
Equity Shares outstanding prior to the Issue	10,31,00,450 Equity Shares
Right Issue Share offered in the issue	Up to [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full Subscription for and Allotment of Rights Entitlement)	[●] Equity Shares
Right Entitlement	[●] Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹ 1/- (Rupees One Only) each
Issue price per Equity Share	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Equity Share
Issue Size	Upto Rs. 5000.00
Terms of the Issue	Please refer to the chapter titled "Terms of the Issue" beginning on page 192 of this Draft Letter of Offer
Use of Issue proceeds	Please refer to the chapter titled "Objects of the Issue" beginning on page 39 of this Draft Letter of Offer
Security Code/ Scrip Code	**ISIN:** INE694X01022 **BSE Scrip Code:** 540614 **ISIN for Right Entitlement:** [●]

**For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.*

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GENERAL INFORMATION

Brief Information on Company and Issue

Registered Office	Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai - 400104 India. Tel: +91766-931-8144; Fax: N.A. E-mail: cs.ggeng@gmail.com. Website: www.ggengg.in			
Date of Incorporation	January 23, 2006			
CIN	L28900MH2006PLC159174			
Company Category	Company Limited by Shares			
Registrar of Company	Registrar of Companies, Mumbai, Maharashtra 100, Everest, Marine Drive, Mumbai – 400 002 Tel No. +91-22-2284 6955, 2281 2627, 2281 2645 Fax: +91-22-22811977 Email: roc.mumbai@mca.gov.in Website: www.mca.gov.in			
Company Secretary & Compliance Officer	Ms. Sapna Tehanguriya Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai - 400104 India. Tel: +91766-931-8144; Fax: N.A. E-mail: cs.ggeng@gmail.com. Website: www.ggengg.in			
Chief Financial Officer	Mr. Uttam Kumar Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai - 400104 India Tel: +91766-931-8144; Fax: N.A. E-mail: gglimited@ggengg.in Website: www.ggengg.in			
Designated Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Website : www.bseindia.com			
Issue Programme	Issue Opens On:	**[●]**	Issue Closes On:	**[●]**

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DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

STATUTORY AUDITORS OF THE COMPANY

S G N & CO.,
Charted Accountants
Firm Registration No.: 134565W;
Address: Office No. 306, 3rd Floor, 439 Hasham Premji Ltd, Kalbadevi Road, Mumbai, Maharashtra- 400002
Tel. No: +91-22-49740502 **Fax No.:** N.A.
Email: nirmal@sgnco.in / shreyans@sgnco.in
Contact Person: Shreyans Jain

ADVISORS OF THE ISSUE

Pro Legal Solutions LLP
F-84, LGF, Kalkaji,
New Delhi-110019
Tel No. 011-20880035/+91-9910244832
Email: info@prolegalsolutions.co.in
Contact Person: Mr. Prashant Pratap Singh
Website: www.prolegalsolutions.co.in

Hexaxis Advisors Limited
40 RPS, Sheikh Sarai, Phase-1,
New Delhi - 110017
Tel No. : 011-40503037
Email: mail@hexaxis.in
Contact Person: Mr. Pankaj K Gupta

REGISTRAR TO THE ISSUE

KFIN Technologies Limited
SEBI Registration No.: INR000000221
Address: Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032
Tel No: +91 40 6716 2222 ; **Fax No:** + 91 40 2343 1551
Email: murali.m@kfintech.com ; **Website:** www.kfintech.com
Contact Person: Mr. Murali Krishna

BANKER TO THE ISSUE & SPONSOR BANK

[●]

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors, S G N & Co. &, Chartered Accountants, to include their name in this Draft Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated July 11, 2022 included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last date of Credit of Right Entitlement	[●]
Issue Opening Date	[●]
Last Date for on Market Renunciation of Right Entitlements	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment (on or About)	[●]
Date of Allotment (on or About)	[●]
Date of Credit (on or About)	[●]
Date of Listing (on or About)	[●]

Note:

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] *to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e.,* [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled "Terms of the Issue" beginning on page 192 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at www.kfintech.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see "Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" under the section titled "Terms of the Issue" beginning on page 192 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As this proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

APPRAISING ENTITIES

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency

UNDERWRITING AGREEMENT

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement

FILING OF DRAFT LETTER OF OFFER

SEBI vide its Amendment regulations i.e., SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, has granted certain relaxations with respect to rights issues under the SEBI (ICDR) Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from Rupees ₹1,000 Lakhs to ₹5,000 Lakhs. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchanges and not been filed with SEBI. However, the Letter of Offer shall not be filed with SEBI.

MINIMUM SUBSCRIPTION

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements except to the extent of renunciation within the promoter or members of promoter group.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

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CAPITAL STRUCTURE

The Equity Share capital of our Company and related information, as on the date of this Draft Letter of Offer is set forth below:

#	Particulars	Amount (Rs. in Lakhs)	
		Aggregate nominal value	Aggregate value at Offer Price
A.	**Authorised Share Capital**		
	50,00,00,000 Equity Shares of ₹.1/- each	50,00,00,000	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	10,31,00,450 Equity Shares of ₹.1/- each	10,31,00,450	-
C.	**Present Issue in terms of this Draft Letter of Offer**		
	Offer of [●] Equity Shares of Face Value ₹1/- each at a Price of ₹ [●] per Equity Share	[●]	[●]
	Issued, subscribed and paid up Equity Share Capital after the Issue		
	[●] Equity Shares ₹1.00/- each	[●]	
D.	**Subscribed and paid up Equity Share Capital**		
	[●] Fully paid up Equity Shares	[●]	
E.	**Securities Premium Account**		
	Before the Issue	297.00	
	After the Issue	[●]	

(a) The present issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated April 27, 2022.

(b) Assuming Full subscription for allotment of Right Equity Shares

(c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses

NOTES TO THE CAPITAL STRUCTURE

1. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**
   As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

2. **Details of Equity Shares held by the promoters and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**
   The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/g-g-engineering-ltd/ggeng/540614/shareholding-pattern/

3. **Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer**
   No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of filing of this Draft Letter of Offer with the Stock Exchanges and submission to SEBI.

4. Intention and participation by the promoter and promoter group

The Promoters and Promoter Group of our Company have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and that they shall not renounce their Rights Entitlements except within the Promoters and Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, the Promoter may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, our Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI (SAST) Regulations is ₹ [●].

6. Shareholding Pattern of our company

(a) The details of the shareholding pattern of our Company as on March, 2022 can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/g-g-engineering-ltd/ggeng/540614/shareholding-pattern/

(b) The details of shareholders of our Company holding 1% or more of the paid-up capital as on March, 2022 can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/g-g-engineering-ltd/ggeng/540614/shareholding-pattern/

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Draft Letter of Offer.

Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

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OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects

The objects of the Issue are:-

1. To meet out the Working Capital requirements of the Company;
2. To meet out the General Corporate Purposes; and
3. To meet out the Issue Expenses.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (In ₹. Lakh)
Gross Proceeds from the Issue	[●]
Less: Estimated Issue related Expenses	[●]
Net Proceeds from the Issue	[●]

**Assuming full subscription and Allotment;*

**The Issue size will not exceed ₹ 50 (fifty) Crores. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

S. N.	Particulars	Amount (In₹. Lakh)
1	Working Capital Requirements	[●]
2	General Corporate Purpose*	[●]
	Total Net Proceeds	[●]

**The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds.*

UTILIZATION OF ISSUE PROCEEDS AND SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(Amount in Lacs)

S. N.	Particulars	Amount to be deployed from Issue Proceeds	Estimated deployment of Issue Proceeds for the Financial Year ending March 31, 2023
1	Working Capital Requirements	[●]	[●]
2	General Corporate Purpose*	[●]	[●]
3	Issue Related Expenses	[●]	[●]
	Total Issue Proceed	[●]	[●]

**The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds; Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "Risk factors" on page 20 of this Draft Letter of Offer.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Details of Utilization of Issue Proceeds

1. Working Capital Requirements:

Statement of Working Capital Requirement (Amount in Rs)					
Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
	Audited	**Audited**	**Audited**	**Projected**	**Projected**
Currents Assets					
Cash & Cash Equivalents	29,24,433	15,39,050	9,62,539	10,00,000	50,70,707
Trade Receivables	3,98,73,898	5,50,47,105	8,98,53,267	12,00,00,000	15,00,00,000
Inventories	2,15,75,046	2,18,49,113	46,61,755	6,23,00,000	10,88,47,500
Other Current Assets	1,31,25,807	34,18,434	2,65,34,761	1,52,56,612	2,35,00,000
Total (A)	**7,74,99,184**	**8,18,53,702**	**2,20,12,322**	**9,85,56,612**	**28,74,18,207**
Current Liabilities					
Borrowings	3,75,48,544	3,76,04,735	10,42,491	-	-
Trade Payables	4,31,79,268	5,72,93,583	10,24,389	4,15,01,738	5,04,70,833
Other Current Liabilities	1,64,54,714	1,27,34,343	69,89,029	1,02,40,000	1,06,60,000
Statutory Liabilities	4,44,553	8,10,942	34,16,796	7,50,000	11,25,000
Total (B)	**9,76,27,079**	**10,84,43,603**	**1,24,72,705**	**5,24,91,738**	**6,22,55,833**
Net Working Capital (A)-(B)	**(2,01,27,895)**	**(2,65,89,901)**	**10,95,39,617**	**14,60,64,874**	**22,51,62,374**
Sources of Working Capital					
fund based borrowings	-	-	-	-	-
Right Issue Proceeds	-	-	-	14,50,00,000	22,40,00,000
Internal Sources /Share capital /Borrowings	-	-	10,95,39,617	10,64,874	11,62,374

Basis of Estimation

Basis of Estimation					
Particulars	**31.03.2020**	**31.03.2021**	**31.03.2022**	**31.03.2023**	**31.03.2024**
No. of Days for Trade Payables	100.45	77.89	1.62	15.65	12.71
No. of Days for Trade Receivables	88.27	72.39	142.44	43.80	36.50
No. of Days for Inventory	58.18	30.78	8.62	23.30	27.97

The total working capital requirements and for the FY 2022-23 and FY 2023-24 is projected to be ₹. 1460.64 Lakhs and ₹. 2251.62 Lakhs respectively, which will be met through mix of Internal Sources and the Net Proceeds.

2. **General Corporate Purpose**

Our Company intends to deploy the balance Net Proceeds aggregating ₹. [●] Lakh for General Corporate Purposes subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

3. **Issue Related Expenses**

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Break-up of the same is as follows:

(Rs. In Lakh)

#	Particulars	Amount (Rs. in Lakhs)	As a % of Total Expense	As a % of Total Issue Size
1	Brokerage, selling commission and upload fees.	[●]	[●]	[●]
2	Registrars to the issue	[●]	[●]	[●]
3	Legal Advisors	[●]	[●]	[●]
4	Advertising and marketing expenses	[●]	[●]	[●]
5	Regulators including stock exchanges	[●]	[●]	[●]
6	Printing and distribution of issue stationary	[●]	[●]	[●]
7	Others, if any (to be specified). Advisor to Issue, Peer Review Auditor & Statutory Auditor & other misc. expenses	[●]	[●]	[●]
	Total	[●]	[●]	[●]

MEANS OF FIANNCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

APPRAISAL BY APPRAISING AGENCY

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than₹. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled 'Our Management', 'Our Promoters', and 'Our Promoters Group' and as mentioned on page no. 78, 82 and 83 of this Draft Letter of Offer.

This space has been left intentionally.

STATEMENT OF TAX BENEFITS

Independent Auditor's Report on Statement of Special Tax Benefits

To,
The Board of Directors,
G G Engineering Limited
Address: Office No. 203,2nd Floor,
Shivam Chambers Coop Soc Ltd. S.V Road,
Goregaon West, Near Sahara Apartment,
Mumbai - 400104 India.

Subject: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VI-PART A, Clause (9) (L) of the SEBI (ICDR) Regulations, 2018, as amended (the "Regulations")

We report that the enclosed statement in the Annexure, states the possible special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2021(hereinafter referred to as "Income Tax Laws"), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders as per the Finance Act 2022 and other amendments. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

i. Company or its shareholders will continue to obtain these benefits in future; or
ii. The conditions prescribed for availing the benefits has been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer and Letter of Offer "(Offer Documents") of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager/Advisors to the issue may wish to advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied on by the Company, Lead Manager, Advisor to the Issue, their affiliates and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

For S G N & CO.,
Chartered Accountants
(Firm Registration No. 134565W)

Nirmal Jain
Partner
Membership No.: 154074
UDIN: 22154074AMPBTG1387
Place: Mumbai
Date: 11th July, 2022

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO G G ENGINEERING LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS.

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

A. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

B. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Note:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the financial year 2022-23.

4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

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ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE G G ENGINEERING LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS.

II. THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 / THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 ("GST ACT"), THE CUSTOMS ACT, 1962 ("CUSTOMS ACT") AND THE CUSTOMS TARIFF ACT, 1975 ("TARIFF ACT") (COLLECTIVELY REFERRED TO AS "INDIRECT TAX")

A. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

B. Special tax benefits available to the shareholders under the Indirect Act

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company

Note:

1. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

2. The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.

3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

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SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place unduereliance on information.

GLOBAL OUTLOOK

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions especially with debt levels having increased significantly in the past two years may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy operating with more limited space than earlier in the pandemic will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

The pandemic's continued grip: Since the start of October, COVID-19 deaths have averaged about 7,000 a day worldwide, down from about 10,000 in late August. The diffusion of vaccines although still uneven has played a major role, with over 55 percent of people having received at least one dose. Yet the emergence of the Omicron variant in late November threatens to set back this tentative path to recovery. As of mid-January, Omicron appeared to be more transmissible than Delta, but its symptoms are perhaps less severe. The net effect on hospitalizations and deaths is still unknown. The baseline forecast is conditioned on adverse health outcomes severe illness, hospitalizations, and deaths coming down to low levels in most countries by the end of 2022. This assumes that most countries achieve vaccination rates consistent with the IMF's pandemic proposal by end-2022, therapies become widely accessible, and the combination proves effective in protecting against Omicron and any other variants that emerge. Some emerging market and developing economies are anticipated to fall short of the vaccination target in 2022 and achieve sufficiently broad coverage only in 2023.

Downside surprises in the second half of 2021: Supply disruptions continued into the fourth quarter, hindering global manufacturing especially in Europe and the United States. A resurgence in COVID cases (particularly in Europe) also held back a broader recovery. In China, disruptions from COVID outbreaks, interruptions to industrial production from power outages, declining real estate investment, and a faster-than-expected withdrawal of public investment all contributed to a second-half slowdown. Although there were signs of a global turnaround in November with a pickup in international trade and upside surprises for services activity and industrial production data this only partially offset earlier declines.

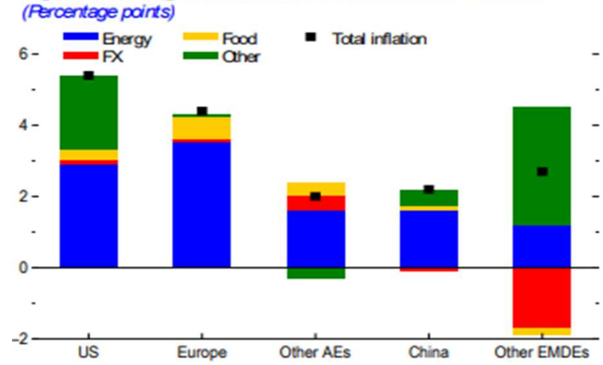
Broadening price pressures: The emergence of a new variant is not the only risk that has crystallized in recent months. Inflation continued to rise throughout the second half of 2021, driven by several factors of varying importance across regions (Figure 1). Fossil fuel prices have almost doubled in the past year, driving up energy costs and causing higher inflation, most prominently in Europe. Rising food prices have contributed to higher inflation, for example in sub-Saharan Africa. Meanwhile, ongoing supply chain disruptions, clogged ports, land-side constraints, and high demand for goods have also led to broadening price pressures, especially in the United States. Higher imported goods prices have contributed to inflation for example in Latin America and the Caribbean region.

Monetary conditions have tightened globally:

In the United States, with price and wage pressures broadening, the Federal Reserve decided to accelerate its taper of asset purchases and signaled that it will raise rates further in 2022 than previously expected.

The European Central Bank (ECB) has announced it will end net asset purchases under the Pandemic Emergency Purchase Programme in March 2022, while it will temporarily increase net purchases by a modest amount under its longer-standing Asset Purchase Programme.
The ECB has also committed to maintaining its key interest rates at current levels until adequate progress is made toward stabilizing inflation at its medium-term target.

Figure 1. Change in Inflation, December 2020 — Latest
(Percentage points)



Sources: Haver Analytics; and IMF staff calculations.
Note: "Change in inflation" refers to the difference in year-over-year growth of the consumer price index between December 2020 and the latest available data. Stacked bars show the contribution of each component to that change. FX refers to short-term depreciation-induced inflation using estimates from Carrière-Swallow and others (2021). Sample includes countries for which all components are available. This covers 26 European countries, 2 other AEs, and 15 EMDEs. Purchasing-power-parity weights are used for aggregation. AEs = advanced economies; EMDEs = emerging market and developing economies; FX = import-weighted nominal effective exchange rate depreciation.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022)

INDIAN ECONOMY OVERVIEW

Introduction

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

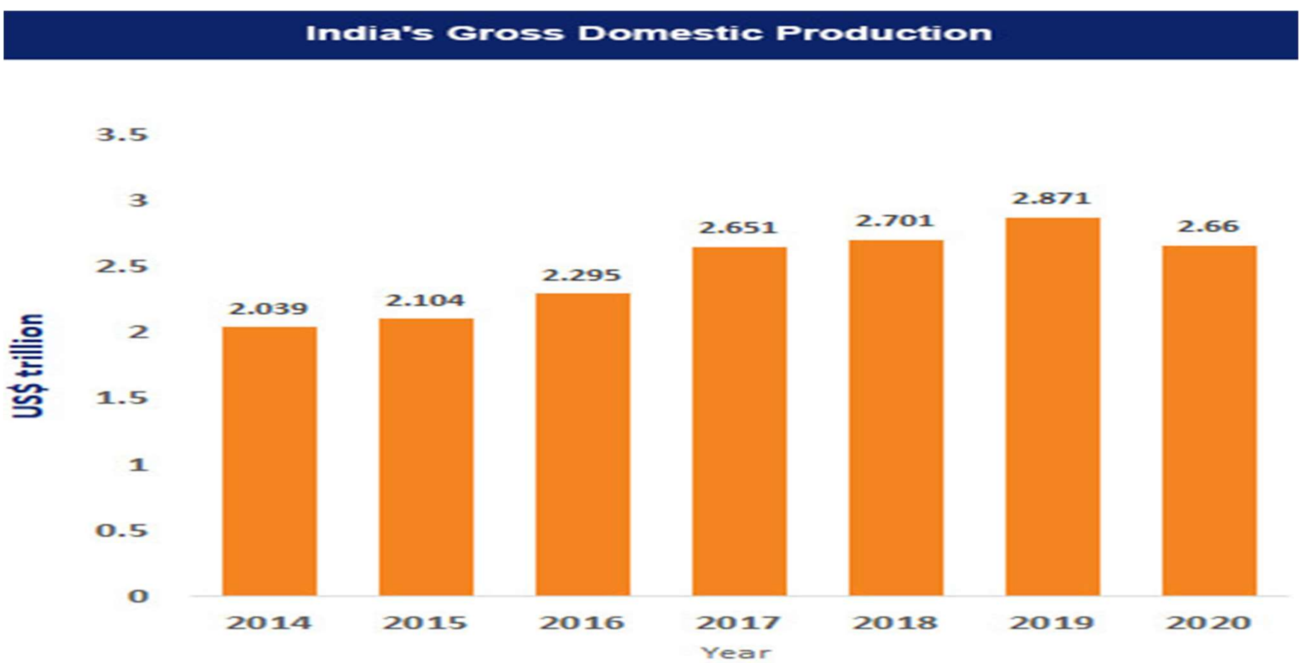
Market Size

1. India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY2021-22.,

2. India is the third-largest unicorn base in the world with over 100 unicorns collectively valued at US$ 332.7 billion.

3. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

4. According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.



Recent Developments

Recent economic developments in India are as follows:

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 5.8 billion across 117 deals in February 2022, 24% higher than January 2022.

Some of the important recent developments in the Indian economy are as follows:

1. India's merchandise exports were at an all-time high of US$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.

2. The gross Goods and Services Tax (GST) revenue collection hit an all-time high of Rs. 1.68 trillion (US$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.

3. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 572.80 billion between April 2000-December 2021.

4. India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.

5. Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.

6. Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21.

7. Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US$ 6.68 billion) in the Calendar year 2021.

8. The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of 2.37 lakh crore (US$ 31.74 billion) to their accounts.

Government Initiatives

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

1. The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

2. Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways

network which will be worth Rs. 20,000 crore (US$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

3. In February 2022, Ms. Nirmala Sitharaman, Minister for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) Jobs with an additional production of Rs. 30 lakh crore (US$ 401.49 billion) in the next 5 years.

4. In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US$ 3.21 billion).

5. In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US$ 334.60 million).

6. In the Union Budget of 2022 Finance Minister Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G will be launched as part of the PLI scheme.

7. In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to spectrum sharing.

8. In the Union Budget of 2022-23 the government has allocated Rs. 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.

9. Ms. Nirmala Sitharaman allocated Rs. 650 crore (US$ 86.69 million) for Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).

10. In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion).

11. Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that Reserve Bank of India (RBI) will issue Digital Rupee using blockchain and other technologies.

12. In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of “One Station, One Product” was also introduced.

13. To boost competitiveness Budget 2022-23 has announced to reform the 16-year-old Special Economic Zone (SEZ) act.

14. In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.

15. To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.

16. In May 2021, the Government of India has allocated Rs. 2,250 crore (US$ 306.80 million) for the development of the horticulture sector in 2021-22.

17. On January 29, 2022 the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian Economy.

18. National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23, it is expected to raise Rs. 4 lakh crore (US$ 53.58 billion) in the next 3 years.

19. By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.

Road Ahead

Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year. Mr. Piyush Goyal said that India will achieve exports worth US$ 1 trillion by 2030.

India's electronic exports are expected to reach US$ 300 billion by 2025-26 this will be nearly 40 times the FY2021-22 exports (till December 2021) of US$ 67 billion.

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

(Source: https://www.ibef.org/economy/indian-economy-overview **)**

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GLOBAL MARKET OVERVIEW

DESIEL GENSET MARKET

The diesel generator, a combination of diesel engine with electrical generator, is a reliable power supply device. It is used for generating electricity to provide continuous power supply during power interruptions. It is mostly used as a standby device during power outages or at places with no connection to a power grid. Factors driving the diesel generator market include increasing need for uninterrupted & reliable power supply and increasing number of power outages.

The global diesel generator market size was valued at $20.8 billion in 2019, and is expected to reach $37.1 billion by 2027, registering a CAGR of 9.8% from 2020 to 2027. Diesel generator is a device that converts chemical energy into electrical energy with the help of devices such as diesel engine and electric generator. Diesel generator can function for several hours to several weeks or till the grid power is recovered. The efficiency of diesel generator is between 30% and 50%, and is the combination of diesel engine and alternator efficiencies. The key advantages of diesel generator include prolonged durability, economic nature than other generators, high efficiency, and quick start-up time. However, the use of diesel generators leads to environmental pollution requires high maintenance & operating cost.

The growth global diesel generator market is driven by rise in demand for continuous & stable power supply and rapid industrialization & urbanization in the developing economies. However, implementation of stringent government regulations toward greenhouse gases emissions from diesel generators and rapid development of the renewable energy sector are the key factors hampering the growth of the market. On the contrary, increase in technological advancements in diesel generator and increase in demand for energy from various end-use industries are anticipated to provide lucrative growth opportunities for the key players to maintain the position in the market in the upcoming years.

The global market of diesel generator is segmented into type, mobility, cooling system, application, end-use industry, and region. Depending on type, the market is categorized into small, medium, and high. On the basis of mobility, it is bifurcated into stationary and portable. By cooling system, it is classified into air cooled and liquid cooled. The application covered in the study include standby backup power and peak shaving. As per end-use industry, the market is segregated into residential, commercial, and industrial. Region, the market is analyzed across North America, Europe, Asia-Pacific, and LAMEA.

Key Market Segments

- **By Type**
  - Small Diesel Generator (0–75 KVA)
  - Medium Diesel Generator (75–375 KVA)
  - Large Diesel Generator (Above 375 KVA)

- **By Mobility**
  - Stationary
  - Portable
- **By Cooling System**
  - Air Cooled
  - Liquid Cooled
- **By Application**
  - Standby Backup Power
  - Peak Shaving
  - Others
- **By End Use Industry**
  - Residential
  - Commercial
  - Industrial
- **By Region**

Key Market Players:

Atlas Copco AB
Caterpillar, Inc.
Cummins, Inc.
Denyo Co., Ltd.
FG Wilson
Generac Power Systems, Inc.
Kirloskar Electric Company
Kohler Co.
Rolls Royce plc
Southwest Products.

(Source: https://www.alliedmarketresearch.com/diesel-generator-market-A06370)

STEEL MARKET

Automotive
According to the International Organization of Motor Vehicle Manufacturers, 91.8 million vehicles were produced in 2019.
On average, 900 kg of steel is used per vehicle.
The steel in a vehicle is distributed as follows, based on total vehicle curb mass:

- 40% is used in the body structure, panels, doors and trunk closures for high-strength and energy absorption in case of a crash
- 23% is in the drive train, consisting of cast iron for the engine block and machinable carbon steel for the wear resistant gears.
- 12% is in the suspension, using rolled high-strength steel strip.
- The remainder is found in the wheels, tyres, fuel tank, steering and breaking systems

Building And Infrastructure

Construction is one of the most important steel-using industries, accounting for more than 50% of world steel demand.

Buildings – from houses to car-parks to schools and skyscrapers – rely on steel for their strength. Steel is also used on roofs and as cladding for exterior walls.

The world's population is expected to increase by 2 billion persons in the next 30 years, from 7.7 billion currently to 9.7 billion in 2050, according to a new United Nations report launched in 2019.

(Source: https://worldsteel.org/steel-topics/steel-markets/)

MARINE ENGINE MARKET

The global marine engines market is projected to reach USD 13.3 billion by 2027 from an estimated USD 11.7 billion in 2022, at a CAGR of 2.6% during the forecast period. Growth in international marine freight transport, aging fleet, and adoption of smart engines for performance and safety are the driving factors for the marine engines market.

COVID-19 has unleashed a devastating blow to the global economy and the shipping sector, disrupting supply chains while choking off demand. The COVID-19 pandemic has not only affected the healthcare sector worldwide but also impacted the global economy. The pandemic resulted in a considerable decline in maritime transportation and related activities. It interfered with international trade, creating inefficiencies, delays, and supply chain disruptions on an unprecedented scale. This also had legal consequences, and for shipping, it led to litigations that raised complex international jurisdictional issues. There was, however, a nascent, if asymmetric, recovery, and by the third quarter going into 2021, volumes had rebounded for both containerized trade and dry bulk commodities. The pandemic was a big disruptor that has created challenges but also opportunities for the sector. The impact of COVID-19 has also highlighted the need for better risk management and greater preparedness, and resilience.

In December 2021, the world experienced a resurgence of new cases due to a new virus variant. The new variant, called B.1.1.529 or simply 'Omicron,' has spread to more than 101 countries, raising fears of lockdowns and tightening restrictions. However, vaccination has prevented the development of serious illness and decreased the need for hospitalization.

Maritime transport is crucial for international trade. The main transport mode for global trade is ocean shipping, and as per UNCTAD, around 80% of the volume of international trade in goods is carried by sea, and the percentage is even higher for most developing countries. This channel of transport is cheaper and more feasible for international trade than road, rail, and air transport. Global maritime is expected to further swell at a moderate annual rate from 2022 to 2026. The growth of the global shipping fleet showed similar trends. Maritime trade bounced back in 2021 owing to the unlocking of pent-up demand, as well as restocking and building inventory. The sudden boost in demand in 2021 after the grim situation in 2020 due to the pandemic resulted into shortages of shipping capacity and of containers and equipment forcing many shipowners to resort to procuring newbuild or used retrofitted vessels to bridge this demand-supply gap.

Asia Pacific has emerged as a global manufacturing hub in recent times, owing to its wealth of raw materials and manpower. Thus, the demand for container ships is significantly high in this region, owing to an increase in the export of manufactured and raw goods. The year 2021 saw increased oil demand due to the reopening of economies, increase in OPEC production and the expansion of Asian economies. This growth is ongoing and may lead to an increase in demand for very large crude carriers. Natural gas offers a low carbon source of energy and as economies transition toward their goal of decarbonization, the global gas trade is also set to increase. The dry bulk maritime trade is expected to show similar trends, as it accounted for nearly three quarters of total maritime trade volumes during 2020-2021 and its share expected to expand further.

Asia Pacific is expected to be the largest market during the forecast period.
North America, Europe, South America, Asia Pacific, and Middle East & Africa are the major regions considered for the study of the marine engines market. The governments in the region are offering tax rebates to the shipbuilding industry. The growth of the Asia Pacific market is primarily driven by the growth of the regional shipbuilding industry, development of efficient marine engine technologies, and an increase in maritime trade activities in the region.

The major players in the global marine engines market are:

1. Caterpillar (US),
2. Wärtsilä (Finland),
3. Volkswagen Group (MAN Energy Solutions) (Germany),
4. Rolls-Royce Holdings (UK),
5. Volvo Penta (Sweden),
6. Mitsubishi Heavy Industries, Ltd. (Japan),
7. Cummins (US),
8. Hyundai Heavy Industries Co., Ltd. (South Korea),
9. Daihatsu Diesel Mfg. Co., Ltd. (Japan),
10. Deutz AG (Germany),
11. WinGD (Switzerland),
12. Siemens Energy (Germany),
13. Fairbanks Morse (US),
14. Wabtec (GE Transportation) (US),
15. Yanmar (Japan),
16. Isotta Fraschini Motori (Italy),
17. CNPC Jichai Power Company Limited (China),
18. Bergen Engines (Norway),
19. Doosan Infracore (South Korea),
20. Mahindra Powerol (India),
21. IHI Power Systems (Japan)

(Source: https://www.marketsandmarkets.com/Market-Reports/marine-engine-market-261640121.html)

INDIAN MARKET OVERVIEW

STEEL INDUTRY

As of October 2021, India was the world's second-largest producer of crude steel, with an output of 9.8 MT. In FY22 (till January), the production of crude steel and finished steel stood at 98.39 MT and 92.82 MT, respectively. In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from customers. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

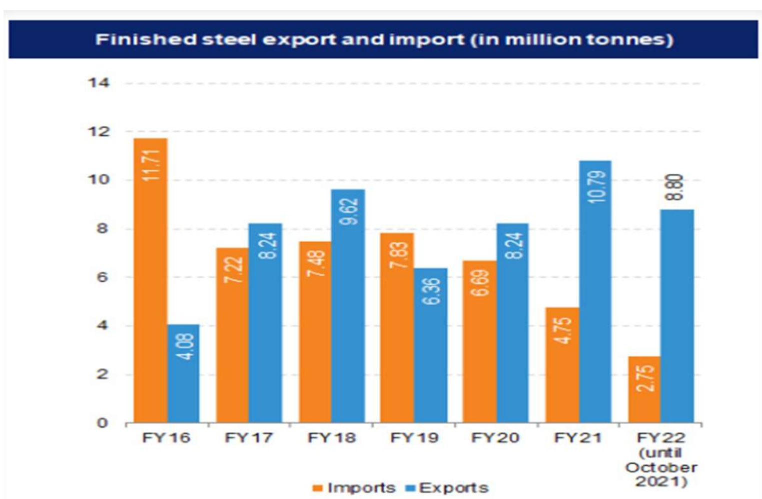
The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

The Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

In FY22 (till January), the production of crude steel and finished steel stood a 98.39 MT and 92.82 MT, respectively. According to CARE Ratings, crude steel production is expected to reach 112-114 MT (million tonnes), an increase of 8-9% YoY in FY22. The consumption of finished steel stood at 86.3 MT in FY22 (till January). Between April 2021-January 2022, the consumption of finished steel stood at 86.3 MT.

In January 2022, India's finished steel consumption stood at 9.65 MT.

In FY22 (until February 2022), exports and imports of finished steel stood at 12.2 MT and 4.3 MT, respectively. In April 2021, India's export rose by 121.6% YoY, compared with 2020. In FY21, India exported 9.49 MT of finished steel.



INVESTMENTS

The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-December 2021, Indian metallurgical industries attracted FDI inflows of US$ 16.1 billion.

In FY22, demand for steel is expected to increase by 17% to 110 million tonnes, driven by rising construction activities.

Some of the major investments in the Indian steel industry are as follows:

- In October 2021, Tata Steel was planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- In October 2021, JSW Steel invested Rs. 150 billion (US$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- In October 2021, ArcelorMittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ~Rs. 1 trillion (US$ 13.34 billion) over 10 years.
- In August 2021, Tata Steel announced to invest Rs. 8,000 crore (US$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- In August 2021, ArcelorMittal announced to invest Rs. 1 lakh crore (US$ 13.48 billion) in Gujarat for capacity expansion.
- In August 2021, Tata Steel announced to invest Rs. 3,000 crore (US$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In August 2021, Jindal Steel & Power Ltd. announced plans to invest US$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.
- In the next three years from June 2021, JSW Steel is planning to invest Rs. 47,457 crore (US$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.
- In June 2021, Mr. T.V. Narendran, the newly elected CII president and MD of Tata Steel, in an interview with The Telegraph, stated that steel companies have firmed their plans to invest ~Rs. 60,000 crore (US$ 8.09 billion) over the next three years—this is was the biggest private sector investment plan announced in recent times.
- In June 2021, Shyam Metalics and Energy Ltd. (SMEL) announced that the company is planning to double its production capacity at an estimated investment of ~Rs. 2,894 crore (US$ 389.72 million) through brownfield expansion at two of its units in the next 3-4 years.
- In April 2021, in a virtual roundtable conference organised by the Indian Chamber of Commerce, Mr. Shin Bongkil, the South Korean Ambassador to India, announced that POSCO, the South Korean steel giant, is planning to set up an integrated steel plant in Odisha at an investment of US$ 12 billion, which would make it the country's biggest FDI project.
- In May 2021, JSW Steel signed a Memorandum of Understanding (MOU) to conduct a feasibility study with its strategic alliance partner JFE Steel Corporation to establish a Grain-oriented Electrical Steel Sheet Manufacturing and Sales JV Company in India.
- In May 2021, JSW Steel announced the steel-making expansion at its Vijayanagar plant by 5 MT every year to 17 MT every year by the financial year ending March 2024.
- In March 2021, JSW Steel completed its takeover of debt-ridden Bhushan Power and Steel Ltd., boosting

the former's overall output to 21.5 mtpa. JSW Steel's has 18 mtpa of capacity, which will hit more than 26 mtpa with the addition of BPSL and a doubling of capacity at JSW Steel's Dolvi steel mill to 10 mtpa.

- In March 2021, Arcelor Mittal Steel signed Rs. 50,000 crore deal with Odisha government to setup a steel plant in the state.
- In February 2021, Tata Steel BSL collaborated with FarEye, a software logistics firm, to improve its digital transformation process.
- In a move towards becoming self-reliant, Indian steel companies have started boosting steel production capacity. To this end, SAIL announced the doubling of its capacity at 5 of its steel plants in September 2020.

Government Initiatives

Some of the other recent Government initiatives in this sector are as follows:

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).
- In July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- In June 2021, Minister of Steel & Petroleum & Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals. In 2020, 'Mission Purvodaya' was launched to accelerate the development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.
- In June 2021, JSW Steel, CSIR-National Chemical Lab (NCL), Scottish Development International (SDI) and India H2 Alliance (IH2A) joined forces to commercialise hydrogen in the steel and cement sectors.
- Under the Union Budget 2022-23, the government allocated Rs. 47 crore (US$ 6.2 million) to the Ministry of Steel. The budget's focus is on creating infrastructure and manufacturing to propel the economy.
- In addition, enhanced outlays for key sectors such as defence services, railways, roads, transport and highways would provide impetus to steel consumption.
- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating the setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

(Source: https://www.ibef.org/industry/steel)

POWER GENERATION SECTOR

Introduction

Power is among the most critical component of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.
India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

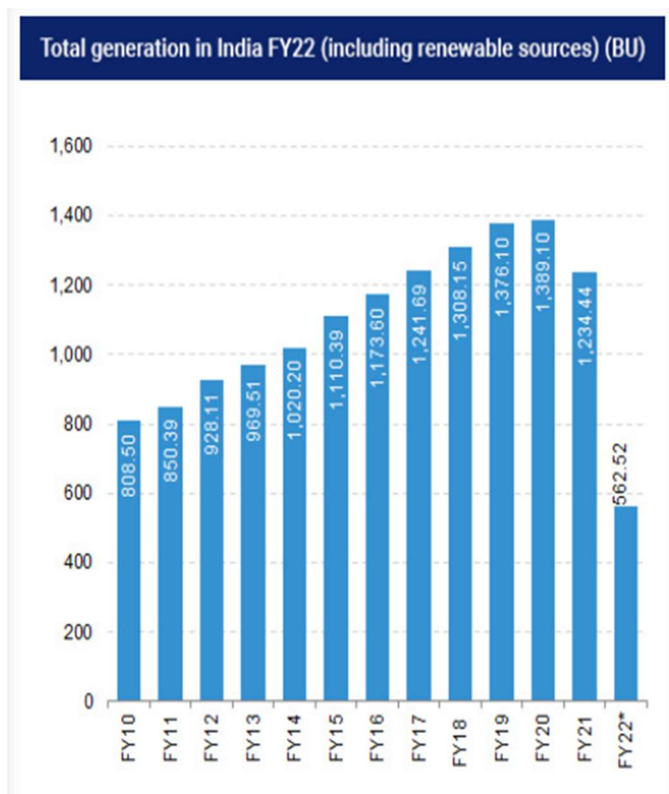
India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

Market Size

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022.

As of January 2022, India's installed renewable energy capacity stood at 152.36 GW, representing 38.56% of the overall installed power capacity. Solar energy is estimated to contribute 50.30 GW, followed by 40.1 GW from wind power, 10.17 GW from biomass and 46.51 GW from hydropower.



Investment Scenario

Total FDI inflow in the power sector reached US$ 15.84 billion between April 2000 to December 2021, accounting for 2.77% of the total FDI inflow in India.

Some major investments and developments in the Indian power sector are as follows:

1. In March 2022, NTPC announced that it was ready to start partial power generation of 10 GW from a 92 MW floating solar energy plant being set up at NTPC's unit at Kayamkulam in Kerala.

2. In February 2022, Kolkata-based Eminent Electricity Distribution Ltd., a subsidiary of CESC Limited, bid Rs. 871 crore (US$ 113.24 million) to take over Chandigarh's power supply department, which was approved and the transition will happen by the end of March.

3. In November 2021, the NTPC announced that its 80 MW solar power-generation capacity in Jetsar (Rajasthan) has started commercial operations from October 22, 2021. The total capacity of the project is 160 MW.

4. In November 2021, SJVN began the second unit work of the 1,320 MW Buxar thermal power plant in Bihar.

5. In October 2021, the NTPC was awarded a contract to set up a 325MW solar power project in Madhya Pradesh.

6. On September 29, 2021, NTPC Renewable Energy ltd (REL), a 100% subsidiary of NTPC ltd, signed its first green term loan agreement with Bank of India for Rs. 500 crore (US$ 67.28 million) at a competitive rate and a tenor of 15 years for its 470 MW solar projects in Rajasthan and 200 MW solar projects in Gujarat.

7. In September 2021, Adani Group announced to invest US$ 20 billion over the next 10 years in renewable energy generation and component manufacturing.

8. In July 2021, National Thermal Power Corporation Renewable Energy Ltd (NTPC REL), NTPC's fully owned subsidiary, has invited a domestic tender to build India's first green hydrogen fueling station in Leh, Ladakh.

9. In July 2021, Bharat Heavy Electricals Limited (BHEL) received a large contract from Nuclear Power Corporation of India Limited (NPCIL) for the supply of 12 steam generators of India's highest rated indigenously-developed 700 MW Pressurized Heavy Water Reactors (PHWR) worth Rs. 1,405 crore (US$ 189.20 million).

10. In July 2021, NTPC announced that it would invest Rs. 2-2.5 crore (US$ 0.27-0.34 million) over the next 10 years to expand renewable capacity.

11. In June 2021, NHPC signed a memorandum of understanding (MoU) with Bihar State Hydro-Electric Power Corporation Limited (BSHPCL) to execute Dagmara HE Project (130.1 MW). in the state.

12. In March 2021, Act is LLP, a private equity firm, planned to invest US$ 850 million to build two green energy platforms in India.

13. According to the firm, the first platform will focus on setting up grid-connected solar and wind power parks, while the second platform will tailor to the commercial and industrial segment.

14. In January 2021, TOTAL acquired a 20% stake in Adani Green Energy. In addition, as a part of this deal, TOTAL undertook 50% in 2.35 GW portfolio of operating solar assets in Adani Energy Limited. The combined deal amount was worth US$ 2.5 billion.

15. In January 2021, Tata Power received a letter of award (LOA) from Kerala State Electricity Board Limited (KSEBL) to develop a 110 MW solar project. With this, Tata Power's renewable capacity will increase to 4,032 MW, out of which 2,667 MW is operational and 1365 MW is under implementation, including 110 MW won under this LOA.

Government Initiatives

The Government of India has identified power sector as a key sector of focus to promote sustained industrial growth. Some initiatives by the Government to boost the Indian power sector are as below:

1. Under the Union Budget 2022-23, the government announced the issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems.

2. In the Union Budget 2022-23, the government allocated Rs. 19,500 crore (US$ 2.57 billion) for a PLI scheme to boost the manufacturing of high-efficiency solar modules.

3. In February 2022, a parliamentary standing committee recommended the government take steps to increase the loan limit for the renewable energy sector under priority sector lending. The current limit stands at Rs. 30 crore (U$ 3.93 million).

4. In December 2021, West Bengal received a loan approval for US$ 135 million from the International Bank for Reconstruction and Development (also called the World Bank) to improve the operational efficiency and reliability of electricity supply in select regions in the state.

5. In November 2021, the government announced future plans to increase the funding under the PLI scheme for domestic solar cells and module manufacturing to RS. 24,000 crore (US$ 3.17 billion) from the existing Rs. 4,500 crore (US$ 594.68 million) to make India an exporting nation.

6. In November 2021, Energy Efficiency Services Limited (EESL) stated that it will partner with private sector energy service companies to scale up its Building Energy Efficiency Programme (BEEP).

7. In September 2021, the Government of the United Kingdom announced that it will invest US$ 1.2 billion through public and private investments in green projects and renewable energy in India to support the latter's target of 450 GW of renewable energy by 2030.

8. In September 2021, Mr. Raj Kumar Singh, Minister of Power, New and Renewable Energy, met with his Danish colleague, Mr. Dan Jrgensen, and announced to expand their cooperation in renewable energy, particularly offshore wind and green hydrogen.

9. In July 2021, Ministry of Petroleum and Natural Gas, Government of India owned GAIL lined up Rs 5,000 crore (US$ 671.14 million) for setting up two plants each for producing ethanol and compressed biogas (CBG) from municipal waste.

10. In July 2021, India sent its first coal-laden rake (4,000 tonnes) to Bangladesh's Rampal Thermal Power Station. The 1,320 MW power plant is a joint venture between National Thermal Power Corporation (NTPC) and Bangladesh Power Development Board (BPDB).

11. he government has spent US$ 4.63 billion on hydroelectric projects to provide electricity to villages in Jammu and Kashmir between 2018-21.

12. In June 2021, India launched the Mission Innovation CleanTech Exchange, a global initiative that will create a whole network of incubators across member countries to accelerate clean energy innovation.

13. In June 2021, the Export-Import Bank of India (Exim Bank) announced that it has extended a line of credit (LOC) worth US$ 100 million to the Sri Lankan government for the purpose of funding projects in the solar energy sector and assure that the country's 70% power requirements are met by renewable energy sources by 2030.

Achievements

Following are the achievements of the Government in the past four years:

1. The Pradhan Mantri Sahaj Bijli Har Ghar Yojana, "Saubhagya", was launched by the Government of India with an aim of achieving universal household electrification. As of March 2022, 2.82 crore households have been electrified under this scheme.

2. As of March 2022, over 36.79 crore LED bulbs, 72.17 lakh LED tube lights and 23.59 lakh energy-efficient fans have been distributed across the country, saving around 535 million kWh per year and Rs. 19,295 crore (US$ 2.5 billion) in cost savings.

3. The Nathpa Jhakri Hydro Electricity Station of Satluj Jal Vidyut Nigam (SJVN) has set a new monthly power generation record, increasing from 1,213.10 million units to 1,216.56 million units on July 31, 2021.

4. According to the Union Budget 2021-22, 139 GW of installed capacity and 1.41 lakh circuit km of transmission lines were added and 2.8 crore households were connected in the past 6 years.

5. Solar tariffs in India have reduced from ~Rs. 7.36/kWh (US 10 cents/kWh) in FY15 to Rs. 2.63/kWh (US 3.2 cents/kWh) in July 2021.

6. NTPC Ltd.'s oldest unit in Singrauli, Uttar Pradesh, has achieved the highest Plant Load Factor (PLF) of 100.24% among all thermal units in the country between April 2020 and December 2020.

7. India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.

8. The Union Power Ministry said the peak power demand deficit stood at 0.4% in 2020-21, compared to 16.6% in 2007-08 and 10.6% in 2011-12.

Road Ahead

The Government of India has released its roadmap to achieve 227 GW capacity in renewable energy (including 114 GW of solar power and 67 GW of wind power) by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. The government plans to establish renewable energy capacity of 500 GW by 2030.

(Source: https://www.ibef.org/industry/power-sector-india)

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OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk.

For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 20 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" on pages 84 of this Draft letter of Offer, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Unaudited Financial Statements and Audited Financial Statements.

OVERVIEW

Our Company was originally incorporated as "G G Engineering Private Limited" in Mumbai, Maharashtra under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated 23rd January, 2006 bearing Registration Number 159174 issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was converted into a Public Limited Company and consequently the name was changed to "G G Engineering Limited" vide fresh Certificate of Incorporation dated 3rd April, 2017 issued by the Registrar of Companies, Mumbai, Maharashtra.

GG Engineering Limited was established on 23rd January 2006 to cater to the rising demand of quality sheet metal and heavy steel products.

Our topmost priority is customer satisfaction. From material to design, we are determined to maintain the quality, striving to satisfy customers' demands. We specialize in custom-built enclosure generator sets for both stationary and mobile applications. Our latest series is equipped with engines applying quantum techniques, thereby enhancing durability and stability.

We supply steel pipes, industrial engines for various applications, marine engines, and spare parts for diesel genset to the local and international markets.

Inspired by the Swachh Bharat Abhiyan, we launched India's first fully-automated and smart Reverse Vending Machines (RVMs) to enable environment-friendly disposal of plastic and other waste as users get rewards in return.

Most recently, we have launched our latest pathogen-protection products in the wake of the COVID-19 pandemic to empower people, communities and organizations to defend against the novel coronavirus and other deadly pathogens.

These DG Sets can be supplied with:-

- ✓ Manual Operation
- ✓ Automatic Mains Failure (AMF)
- ✓ Sound Proof enclosure having Db. level 75Db (A) at 1 meter distance As per CPCB II.
- ✓ Multiset Application with Manual Synchronizing system or Automatic Synchronizing System.
- ✓ Power House Concept with designing the powerhouse from concept to commissioning.

OUR PRODUCT PORTFOLIO

1. Diesel Generator

Our extensive product range in enclosed industrial diesel generator sets We also supply spare parts for diesel gensets.

The diesel generator is an equipment whose use is indicated for applications that require more power and for continuous operation. They convert the fuel into electrical energy, through the combustion of diesel.

This type of fuel, compared to others like gasoline, for example, is burned at a higher temperature, hence more efficient and ensure greater power to the generator. Diesel generators require regular maintenance to function properly.

Our Company was engaged in manufacturing of Diesel Generator till the Financial Year 2020-2021. From the Financial Year 2021-2022 our company is engaged in the Business of trading of diesel generator set.

2. Steel Pipes

Our Company offers an extensive product range for different segments and applications which are:

1) Steel : An alloy made up of iron with typically a few tenths of a percent of carbon to improve its strength and fracture resistance.

2) Steel Ingot: A simple piece of steel that is formed or thrown into different shapes as indicated by the necessities.

3) TOR Steel: A cold worked low emulsion prepares that are employed for fortifying cement.

4) MS Pipes & Fittings: A type of carbon steel fitting with low carbon content, and are perfectly suitable in several industries and various engineering applications.

3. Reverse Vending Machines

Our RVMs are India's first fully-automated and smart reverse vending machines as we provide fully-customized solutions to our customers.
Population growth, higher disposable incomes, and increasing plastic use will drive consumption of plastic bottles, boosting demand for plastic waste management solutions

The Government of India's Swachh Bharat Mission is a key enabler for the adoption of cleantech solutions including plastic waste management and recycling

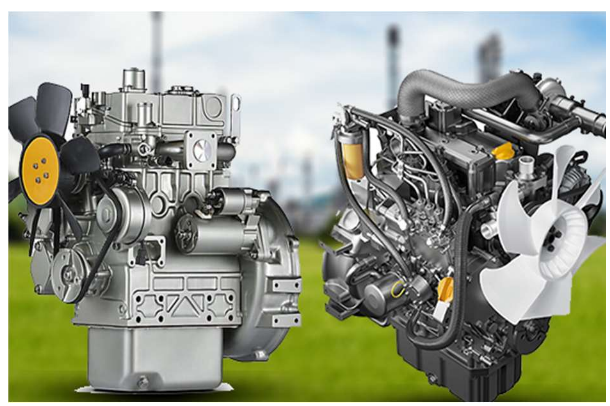
Enabler and participative model involving provision of infrastructure and incentivizing waste collectors and the general public, and playing a critical role in the waste management and recycling ecosystem.

The model involves installing RVMs at locations close to major sources of plastic waste generation such as railway stations, shopping malls, residential societies and other public places. Machines are available in various configurations and capacities suitable for different types of locations.

The contract awards advertising rights to us to show/broadcast advertisements at the PBCM kiosks. Advertising revenues will become a key revenue stream going forward with more such PBCM installation projects with advertising rights expected to be executed.

The contract also awards full rights for Pet bottle waste collection, another source of income. A single machine can collect up to 1000 bottles or 25 kgs of waste. We are working on reward based collection model.

4. Industrial Engine



We also supply industrial engines for variou applications.
The Industrial Engine Portfolio Includes:

1. **Engine For Fire Pumps:** Fire Fighting Pumps
- ✓ Ranging from 4SP NA to 697 TCIC engine Model
- ✓ Carrying 3 to 5.7 Ltrs. Swept Volume and
- ✓ Rating from 61@2800 to 130@2400 (PS@RMP)
- ✓ Torque From 171@1500 to 46@1700-180 (NM@RPM)

2. **Engine For Construction Equipments:**

I. **Excavator**:
- ✓ Ranging from 497 NA to 697 NA engine Model
- ✓ Carrying 3.8 to 5.7 Ltrs. Swept Volume and

- ✓ Rating from 55@2000 to 76@2200 (PS@RMP)
- ✓ Torque From 190@1400 to 252@2000 (NM@RPM)

II. **Backhoe Loader**
- ✓ Ranging from 497 TCIC to 49```````7 TCIC engine Model
- ✓ Carrying 3.8 to 3.8 Ltrs. Swept Volume and
- ✓ Rating from 76@2200 to 86@2200 (PS@RMP)
- ✓ Torque From 275@1600-1500 to 310@1600-1500 (NM@RPM)

III. **Wheel Loader**
- ✓ Ranging 697 engine Model
- ✓ Carrying 5.7 Ltrs. Swept Volume and
- ✓ Rating of 130@2400 (PS@RMP)
- ✓ Torque of 460@1700-1800 (NM@RPM)

3. **Engine For Agricultural Equipments**

I. **Track Type**
- ✓ Ranging 4SP NA engine Model
- ✓ Carrying 3 Ltrs. Swept Volume and
- ✓ Rating of 61@2800 (PS@RMP)
- ✓ Torque of 171@1500 (NM@RPM)

II. **Wheel Type**
- ✓ Ranging 497 TCIC engine Model
- ✓ Carrying 3.8 Ltrs. Swept Volume and
- ✓ Rating of 76@2200 (PS@RMP)
- ✓ Torque of 275@1600-1500 (NM@RPM)

4. **Engine For Forklifts**
- ✓ Ranging from Forklift - 3 Ton to Forklift - 12 Ton

5. **Engine For Cranes**
- ✓ Ranging from 497 NA with GB 40 to 497 TCIC With GB 40

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5. Marine Engines

We also supply marine engines of various applications which includes:

1. **Houseboats/In Land Waterways Boats**
   - ✓ Ranging 4SP NA engine Model
   - ✓ Carrying 3 Ltrs. Swept Volume and
   - ✓ Rating of 61@2800 (PS@RMP)
   - ✓ Torque of 171@1500 (NM@RPM)

2. **Houseboats/In Land Waterways Boats**
   - ✓ Ranging 497 TC engine Model
   - ✓ Carrying 3.8 Ltrs. Swept Volume and
   - ✓ Rating of 86@2200 (PS@RMP)
   - ✓ Torque of 310@1600-1500 (NM@RPM)

3. **Houseboats/In Land Waterways Boats**
   - ✓ Ranging 697 TC engine Model
   - ✓ Carrying 3.8 Ltrs. Swept Volume and
   - ✓ Rating of 130@2300 (PS@RMP)
   - ✓ Torque of 460@1800 (NM@RPM)

Inspired by the idea of making India clean and 'Swachh Bharat Abhiyan', a campaign by Government of India, G G Engineering Ltd. came up with a solution that engages people to properly dispose off plastic PET bottles, aluminums cans & waste plastic milk pouch and in return get rewards. We think it's amazing that recycling pays. That's why we're rolling out cutting edge recycling technology and building an amazing rewards program. Because the more people we get recycling, the better off we'll all be and both people and planet will prosper. We make it really easy and financially rewarding for people, schools, community groups and businesses to recycle beverage containers using our reverse vending machines.

G G Engineering Ltd is working towards a vision of creating a clean, waste-free environment in India. Our mission is to reach each and every city of India, helping it have a clean environment.

Recently, we have launched our latest pathogen-protection products to empower people, communities and organizations to defend against the novel coronavirus and other deadly pathogens which includes:

PET BOTTELS CRUSHING MACHINES

The machine is available in different variants with both manual and fully automated features, having capacity of recycling 200-750 bottles per day, reducing 80% of the size of the bottle. The machines have a bin size of upto 15 kg and has easy mobility.
The Machines comes with various features i.e. SMS notifications, keyboard, Bottle counting sensor, Coupon vending, Conveyer system, reward system, Live Tracking, Anti fraud Protection, Auto start and Stop Features, Overheating Alert, Bin Full Alert.

PET BOTTELS SHREEDING MACHINES

The Machine is suitable for Disposal of Municipal Waste such as PET bottle, Alunimium cans, by shredding. The Material of the cutter of shredder is made from Hardened Special Alloy Steel. The Gross weight of machine is 10 to 400 kg. It has a shredding capacity of 7 to 60 kg/hr and waste bin capacity of 40 to 100 liters. The machine is CE and ISO Certified. It has a short circuit protection facility and a warranty of 1 year.

OUR MAJOR PLANT AND MACHINERY

Earlier we were engaged in manufacturing and trading of Diesel Generator set. From Financial Year 2021-2022 we are only engaged in the trading of diesel Generator. The details of Plant and machinery are as follows:

S.No	Description	Make	Quantity
1.	Turret Punch Press	Amada Japan (AE2510NT) Bed size 1250 x 2500	1
2.	Press Break Bending	Amada Japan (RGM2-1003)	1
3.	Press Brack Model	Weldor (120 ton . 3 mtr)	1
4.	Perforation machine	Maximum thickness .8 mm	2
5.	75 KVA Spot Welding Machine		1
6.	Co2 (Mig) Welding Machine	ESAB India	3
7.	300 Amps A.C. Arc Welding Machine	ESAB India	1
8.	Over head crane	Safex	1
9.	A/C D/C Welding machine model heliarc 252 with Tig Torch, regulator & foot control switch	ESAB India	2
10.	NC Shearing Machine	Weldor (max. Thickness 4 mm . width 3 mtr)	1
11.	Software	Metal Soft USA AP 100 (ver 6.00.00) Fabriwin 7.01 CAD/CAM	1

RAW MATERIAL

Our Company does not carry any manufacturing facility and is engaged in the business of trading of Diesel Genset, Reverse vending Machines and various types of industrial and marine engines. No raw material is required in the Trading Business. Further as a trader the Company does procure stock-in-trade from various suppliers

CAPACITY UTILIZATION

Our Company is engaged in the business of trading of Diesel Genset, Reverse vending Machines and various types of industrial and marine engines. Earlier we were engaged in manufacturing and trading of Diesel Generator. Company is currently not having any manufacturing facility therefore capacity utilization is not applicable to us.

CERTIFICATIONS

Our company does not any certification as the company is engaging in trading business.

CUSTOMERS

We supply our Industrial Engines, Diesel Genset, Marine Engines Reverse Vending machines to our PAN India Customers.

COMPETIVE STRENGTH

We derive our strengths from following factors:

Established operations and proven track record

We have established operations and in the past we have been successfully served varied range of clienteles.

Strong and stable management team with proven ability

We have experienced management team with established processes. We believe that our management team has a long-term vision and has proven its ability to achieve long-term growth of the Company. Our Promoters have sufficient experience in engineering and diesel gensets sector and steel industry. We believe that the strength of our management team and their understanding of the industry will enable us to continue to take advantage of current and future market opportunities.

Cordial relations with our customers and Suppliers

Our record has helped us to build strong relationships over a number of years with our customers as well as with our Suppliers, which allows us to repetitive order with our customers as well as efficient and timely execution of projects.

Quality Standards

We follow utmost quality standards for our areas of operation.

BUSINESS STRATEGY

Our strategy is to build upon our competitive strengths and business opportunities to become one of the vital Diesel Genset and Steel Trading Company. We intend to achieve this by implementing the following strategies:

Constant Technology Up gradation

Our Company has focused on constant up gradation of our machinery and equipment's used in our business from various parts of the world keeping in mind its usage in the Indian conditions.

Continue to develop client relationships

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long term client relationship with large clients reap fruitful returns. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

Pursue strategic acquisitions

In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.

Penetration in to global markets

We are looking forward to enter into global markets and we plan to target countries where we can leverage our track record and experience in India to compete effectively and expand our revenue base.

Strengthening our brand

We intend to invest in developing and enhancing recognition of our brand “GG”, through brand building efforts, communication and promotional initiatives such as exhibitions fairs, electronic media, organizing events, participation in industry events, public relations and investor relations efforts. This will help us to maintain and improve our global and local reach. We believe that our branding exercise will enhance the recall value and trust in the minds of our customers and will help in increasing demand for our products.

MARKETING

To handle our product sales, we have a dedicated team of sales representatives. Our marketing and branding team responsible for marketing activities, with the aim of developing and enhancing our brands and increasing our sales.

Some of our marketing activities envisaged as below:

Public relations – Our Company focuses on opportunities to raise our brand awareness through non-paid publicity activities such as articles, features and reviews.

Advertising – Our Company plans to appoint suitable external agency for print as well as electronic media based on a marketing plan for each of our products.

COLLABORATIONS

We have not entered into any technical or other collaboration.

UTILITIES & INFRASTRUCTURE FACILITIES

Power

Power is sourced from Dakshin Gujarat Vij Co. Ltd.

Water

Our Business does not have major water requirements. Water required for human consumption and other purposes is fully met at the existing premises by internal supply & also with private supply.

Competition

We face significant competition from domestic as well as international players. In addition, we compete against a number of manufacturers and marketers, some of which are larger and have substantially greater resources than us. However, we have been able to leverage economies of scale to gain an advantage.

We believe that we compete favorably with our principal competitors in each of these areas. We also believe that our offering of full value chain solutions provides us with a competitive advantage that enables us to compete on more than price alone

Our Major Competitors are:
1. Tata Iron and Steel Company Limited
2. Jindal steel and Power Limited
3. Essar Steel Limited

INSURANCE

We have not taken any insurance policies to insure stocks, building, plant & machinery etc.

INTELLECTUAL PROPERTY

We have not applied or registered any Intellectual property of the Company as on date of this Offer Document.

HUMAN RESOURCES

As on the date of this Draft Letter of Offer, Company has the 6 employees on the payroll of the Company.

EXPORT POSSIBILITY AND OBLIGATION

Our Company does have any export obligation. The Company’s drive is to expand its business to overseas market by exporting its products.

SWOT ANALYSIS

<table>
<tr><th colspan="2">SWOT ANALYSIS</th></tr>
<tr><th>STRENGTHS</th><th>WEAKNESS</th></tr>
<tr><td>• Cordial Relationship with Customers
• In depth knowledge of Industry – Commercial & Technical
• Infrastructural support
• Low overhead cost
• Experienced management team</td><td>• Insufficient market reach
• Surge in finance needs to cope up with the increased demand
• Heavy dependence on few suppliers
• Tough competition means limited market share</td></tr>
<tr><th>OPPORTUNITIES</th><th>THREATS</th></tr>
<tr><td>• Growing acceptance by consumers
• Rapid urbanization and growth in infrastructure will create demand for Diesel Gensets
• Opportunities in the Asian market
• Rise in the demand for Diesel Gensets
• Tightening of Emission standards
• Growth in filtration market</td><td>• Industry is prone to changes in government policies, any material changes in the duty or international raw material prices may adversely impact our financials.
• There are no entry barriers in our industry which puts us to the threat of competition from new entrants.
• Intense competitive pressure
• Rising labour wages</td></tr>
</table>

PLACE OF BUSINESS OF THE COMPANY

We operate our business operations from our Registered Office situated at Office No. 203, 2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai - 400104 It is well equipped with adequate computer systems, internet connectivity, communication equipment's and other facilities which are required for our business operations.

We also have another office located at "Office No. 306, 3rd Floor, Shivam House Karam Pura, Commercial Complex, Opp. Milan Cinema, New Delhi-110015, India" where books of account and other papers are maintained.

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OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Letter of Offer, our Board consist of 6 (Six) Directors, out of which 2 (Two) are Executive Directors, 4 (Four) are Non-Executive Independent Directors.

Sr. No.	Name	DIN	Category	Designation
1.	Deepak Kumar Gupta	00057003	Executive	Whole Time Director
2.	Atul	08290588	Executive	Whole Time Director
3.	Kamal Beriwal	00310692	Non-Executive	Non- Independent Director
4.	Nitin Bansal	09522632	Non-Executive	Independent Director
5.	Poonam Dhingra	09524982	Non-Executive	Independent Director
6.	Om Prakash Aggarwal	09553402	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Letter of Offer:

	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
1.	**Deepak Kumar Gupta** ***Designation:*** Whole Time Director ***Address:*** A-10, Lok Vihar, Pitampura New Delhi- 110034 India ***Date of Birth:*** 23/12/1974 ***Qualification:*** Bachelor of Commerce and Master of Business Administration (Finance) ***Occupation:*** Business ***Nationality***: Indian ***Term:*** From 31/03/2022 to 30/03/2027 ***Date of First Appointment*:** 31/03/2022 ***Date of Appointment as WTD:*** 29/05/2022 ***DIN:*** 00057003	47	**1)** Suma Fibres and Allies Limited **2)** Haryana foils limited **3)** Steeljunction Private Limited **4)** Just Right Life Limited **5)** Vrindaa Advanced Materials Limited

2.	**Atul** ***Designation:*** Whole Time Director ***Address:*** House No. G-73/7, Pana Udyan Vishwkarma Road Narela Delhi -110040 India ***Date of Birth:*** 8/2/1989 ***Qualification:*** MBA (marketing) and BCA (IT) from Siri fort College of Computer Technology and Management (IP University). ***Occupation***: Business ***Nationality:*** Indian ***Term:*** From 31/03/2022 to 30/03/2027 ***Date of First Appointment*** **:** 31/03/2022 ***Date of Appointment as WTD:*** 29/05/2022 ***DIN***: 08290588	33	**NIL**
3.	**Kamal Beriwal** ***Designation:*** Non- Executive Director ***Address:*** BJ-95, Shalimar Bagh (West) Delhi -110088 India ***Date of Birth:*** 31/12/1981 ***Qualification:*** Bachelor's degree in commerce ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** **NA** ***Date of First Appointment*****:** 21/11/2016 ***DIN:*** 00310692	41	1. Dawn View Farms Private Limited 2. Shashi Beriwal and Company Private Limited 3. Green wood Estates Private Limited 4. Kamal Ispat Private Limited
4	**Nitin Bansal** ***Designation:*** Independent Director ***Address:*** E-4 Second Floor, Rajan Babu Road Adarsh Nagar Delhi- 110033 India	42	**NIL**

	Date of Birth: 26/03/1980 ***Experience:*** More than 15 years in administration, marketing & accounts ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For 12/3/2022 to 11/03/2027 ***Appointed on:*** 12/3/2022 ***DIN:*** 09522632		
5	**Poonam Dhingra** ***Designation:*** Independent Director ***Address:*** House No A 58, Ground Floor Palladians, Mayfield Gardens, Sector 47 Gurgaon Haryana- 122018 India ***Date of Birth:*** 26/01/1962 ***Qualification****:* Law & Commerce Graduate from Delhi University ***Occupation:*** Self Employed ***Nationality:*** Indian ***Term****:* From 12/3/2022 to 11/03/2027 ***Appointed on:*** 12/3/2022 ***DIN:*** 09524982	60	**NIL**
6	**Om Prakash Aggarwal** ***Designation:*** Independent Director ***Address:*** B-3/239, First Floor Paschim Vihar New Delhi-110063 India ***Date of Birth:*** 16/03/1956 ***Experience:*** More than 40 years in the industry and prepared the organizational strategy for the group's diversification into plastics and chemicals. ***Occupation:*** Business	66	**1)** Advik Capital Limited

	Nationality: Indian ***Term:* From** 31/03/2022 to 31/03/2027 ***Appointed on:*** 31/03/2022 ***DIN***: 09553402		

Past Directorship in Suspended Companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

Past Directorship in Delisted Companies

Further, none of our directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer

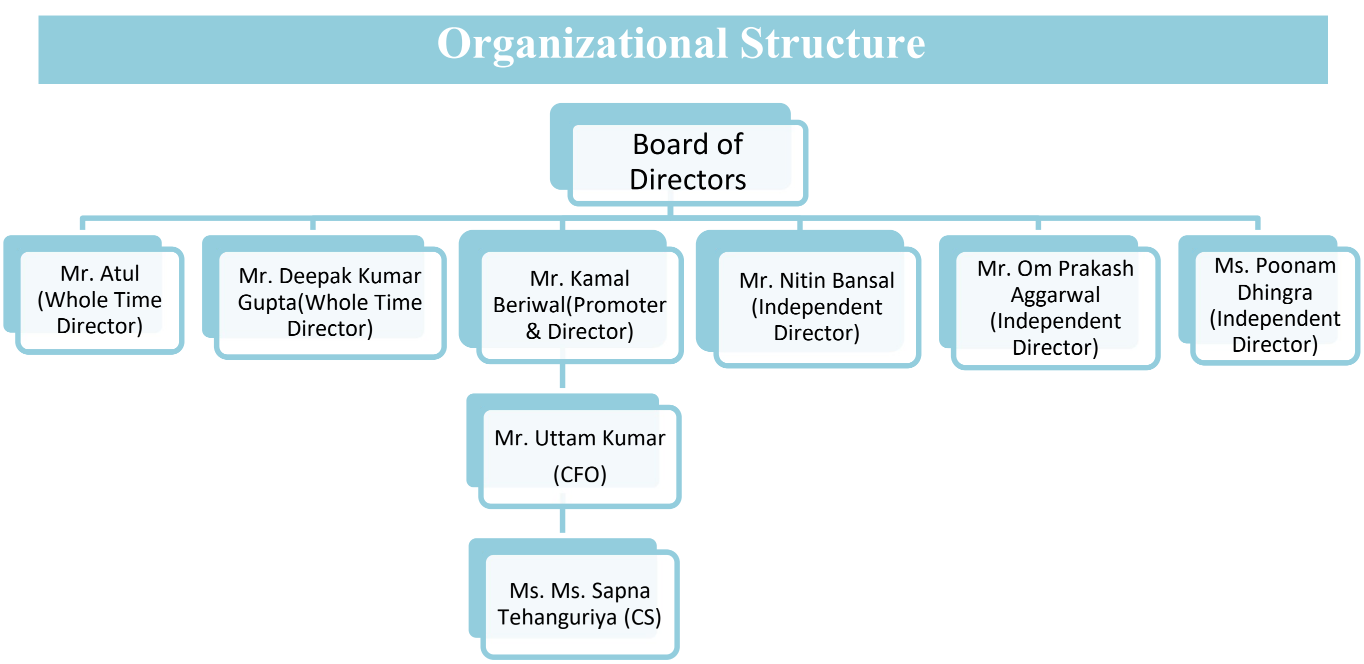
KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Set forth below are the details of our senior management and key managerial personnel: -

Name	Designation	Associated with the Company since
Atul	Whole time Director	31/03/2022
Deepak Kumar Gupta	Whole time Director	31/03/2022
Uttam Kumar	Chief Financial Officer	27/01/2017
Sapna Tehanguriya	Company Secretary	27/04/2022

Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart;



OUR PROMOTER

BRIEF PROFILE OF OUR PROMOTERS IS AS UNDER:

1. Mr. Vinod Harmukhrai Beriwal

	Mr. Vinod Harmukhrai Beriwal, aged 49 years, is the Promoter of our Company. He holds the degree in Bachelor of Arts and having the BSE's Certification for Derivatives Exchange (BCDE) & the Microsoft Certified Professional, Internet, and Systems Engineer. He is having more than 25 years of experience in the Industrial Operations and Management. His business acumen has yielded the required results and with his tireless support to the company, facilitated the business to grow further.
Age	49 Years
PAN	AADPA6979P
Qualification	Bachelor of Arts
Personal Address	A/504, Kalpataru Classic, Chincholi Bunder Road, Malad (W), Mumbai- 400064
Directorship & Other Ventures	1. Glorious Imports And Exports Private Limited (Director) 2. KR Industrial Services Private Limited (Director)

** The company has received intimation from Mr. Vinod H Beriwal requesting for reclassification under Reg 30 and 31A of SEBI (LODR) Regulations 2015, of their category from 'Promoter' to 'Public'. The company has given intimation to BSE, vide letter dated June 25, 2022 regarding the requests for reclassification under Reg 30 and 31A of SEBI (LODR) Regulations 2015, of category from 'Promoter' to 'Public'. The aforesaid reclassification is pending for approval by shareholders of the company.*

2. Mr. Kamal Beriwal

	Mr. Kamal Beriwal, aged 41 Years, is the Promoter and Non Executive Director of our Company. He holds the degree in Bachelor of Commerce by qualification. He is having more than 20 years of experience in the Business Administration & Finance. With his multifunctional experience, he guides company in growth strategies. He is on Board of Company since November, 2016.
Age	41 Years
PAN	AEIPB0197H
Qualification	Bachelor's degree in commerce
Personal Address	BJ-95, Shalimar Bagh (West), Delhi – 110088
Directorship & Other Ventures	1. Dawn View Farms Private Limited 2. Shashi Beriwal and Company Private Limited 3. Green wood Estates Private Limited 4. Kamal Ispat Private Limited

OUR PROMOTER GROUP

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

Promoters	*Mr. Vinod Harmukhrai Beriwal*	*Mr. Kamal Beriwal*
Father	Mr. Harmukhrai Beriwal	Late Mr. Janardhan Beriwal
Mother	Mrs. Sarla Beriwal	Mrs. Shashi Devi Beriwal
Spouse	Mrs. Sangeeta Vinod Beriwal	Mrs. Rashi Gupta
Brothers	Mr. Ashok Beriwal	-
Sisters	Ms. Sunita Agarwal	Ms. Ritu Gupta
		Ms. Niti Bansal
		Ms. Deepa Jain
		Ms. Ruchi Jain
Sons	Mr. Nikunj Beriwal	Mr. Mukund Beriwal
Daughters	-	Ms. Prisha Beriwal
Spouse Father	Mr. Shridhar Bansidhar Gupta	Late Shri Subhash Chand Gupta
Spouse Mother	Mrs. Santosh Gupta	Late Smt. Prakash Gupta
Spouse Brothers	-	-
Spouse Sister	-	-

Note: The company has received intimation from below mentioned shareholders/ members/ promoters requesting for reclassification under Reg 30 and 31A of SEBI (LODR) Regulations 2015, of their category from 'Promoter' to 'Public'. The company has given intimation to BSE, vide letter dated June 25, 2022 regarding the requests for reclassification under Reg 30 and 31A of SEBI (LODR) Regulations 2015, of category from 'Promoter' to 'Public'. The aforesaid reclassification is pending for approval by shareholders of the company.

1. *Mr. Vinod H. Beriwal*
2. *Mrs. Sangeeta Vinod Beriwal*
3. *Mr. Ashok Beriwal*
4. *Mr. Shashi Devi Beriwal*
5. *Mrs. Rashi Gupta*

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SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1	The Audited financial results for the period ended on March 31, 2022 (Extract of Annual Report)	**85 - 98**
2	Standalone and Consolidated Audited Financial Statements as at and for the year March 31, 2022	**99 - 175**

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
G. G. ENGINEERING LIMITED

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of G. G. Engineering Limited ('The Company"), which comprise the Balance Sheet as at 31st March, 2022, Statement of the Profit & Loss (including other comprehensive income), changes in equity and the cash flow statement for the year ended including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and Profit & Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion on the standalone Ind AS financial statements.

Emphasis of Matter Paragraph

a) We draw attention that we have not verified the Quantitative and physical Stock year to date. The Stock has been verified by third party and the report is provided to us.

As per Standard on Auditing 600 Using the Work of another Auditor, the stock audit report has been provided to us and we have relied on the work done by other auditor.

b) We draw attention that the Company has not provided GST liability on the advances received by the Company from vendors. The impact of the liability is not ascertained
Our conclusion is not modified in respect of the above all matters.

c) We draw the attention that the company had discontinued its operation in situated at Palej Industrial Estate, Bharuch, Gujrat pertaining to Genset manufacturing. The company also sell its Agriculture land situated at village Bisahara, Pargana, Dadri, G B Nagar, Uttar Pradesh during the year.

d) We draw attention to note no 13 to the Standalone Audited Financial Results in which the company has disclosed that the promoter of the company had reduced their stake in the company by 42.80% through selling the share in the open market.

e) We draw attention to note no 28 to the Standalone Audited Financial Results in which the company has disclosed the Contingent liability of ₹ 75,22,748/- towards disputed income tax demand. The management have the opinion that the outcome of the appeal would be in favor of the company hence no provision has been provided.

As per IND AS 37: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS we are of the opinion that the it's not a contingent liability. As per our opinion the Probability of favorable outcome is less than 50% in company's favor, hence provision should have provided for the liability arising out of income tax dispute.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

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

Office No.306, 3rd Floor, 439 Hasham Premji CHS LTD, Near Madras Bhavan Hotel, Kalbadevi Road, Mumbai – 400 002
Email – accounts@sgnco.in / nirmal@sgnco.in / shreyans@sgnco.in Contact – 022 49740502

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 standalone financial statements.

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

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

- 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

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

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

SGN & CO
FRN 134565W
Chartered Accountants

Materiality is the magnitude of misstatements in the standalone financial that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and 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 communicative 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "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, 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, the Standalone Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our Report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we further report that:

i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements;

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

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

iv. **(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;**

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding

whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For S G N & CO
Chartered Accountant
FRN - 134565W

Nirmal Jain
Partner
Membership No.: 154074
UDIN: 22154074AJVETU6759

Place: Mumbai
Date: 28th May, 2022

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred under "Report on other Legal and Regulatory Requirement's" section of our Independent Auditors report to the members of the company on the standalone financial statements for the year ended 31st March 2022.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a)
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- The Company has maintained proper records showing full particulars of Intangible Assets.

b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company as at the balance sheet date.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

a) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

ii)

a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) During the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year	NIL	NIL	2,77,64,058/-	6,99,114/-
- Subsidiaries - Joint Ventures - Associates - Others	NIL	NIL	1,54,73,500/- NIL NIL 1,22,90,558/-	NIL NIL NIL 6,99,114
Balanceoutstanding as at balance sheet date in respect of above cases - Subsidiaries - Joint Ventures - Associates - Others	NIL	NIL	1,54,73,500/- NIL NIL 1,22,90,558/-	NIL NIL NIL 6,99,114

a) As per the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

b) As per the information and explanation given to us, the loan granted are repayable on demand and no repayment schedule is stipulated.

c) In the view of (d) above, there is no overdue amount in respect of the loan taken by the company.

d) As per the information and explanation given to us, no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

e) As per the information and explanation given to us, the company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	NIL 2,84,63,172/-	NIL	NIL
Total (A+B)	2,84,63,172/-	NIL	NIL
Percentage of loans/ advances in nature of loans to the total loans	100%	NIL	NIL

iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.

v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii) In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Litigated Statutory Liability	75,22,748	A.Y 17-18	CIT Appeals

According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

viii) a. In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. Company is not declared willful defaulter by any bank or financial institution or other lender.

c. According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained.

d. According to the information and explanation given to us, funds raised on short term basis have not been utilized for long term purposes.

e. According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

x) a. According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. According to the information and explanation given to us, no whistle-blower complaints, received during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xi) Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company.

xii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiii) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

We have considered, the internal audit reports for the year under audit, issued to the Company during the year. in determining the nature, timing and extent of our audit procedures.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xv) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvi) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xvii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable.

xviii) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xix) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For S G N & CO
Chartered Accountant
FRN – 134565W

Nirmal Jain
Partner
Membership No.: 154074
UDIN: 22154074AJVETU6759

Place: Mumbai
Date: 28th May, 2022

ANNEXURE B TO AUDITOR'S REPORT

Referred to in paragraph 2 (f) under "Report on other Legal and Regulatory Requirement's" section of our report to the members of G. G. ENGINEERING LIMITED of even date

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **G. G. ENGINEERING LIMITED** as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 (ICAI), these responsibilities include the design, implementation and maintenance and adequacy of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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' Responsibilities

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note in 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 (ICAI). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Financial Controls based on the assessed risk. The procedures selected depend on the auditors' 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 over financial reporting.

Meaning Of Internal Financial Controls over Financial Reporting

A company's Internal Financial Controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of the 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 expenditure of the Company are being made only in accordance with authorization of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or frauds may occur and not be detected. Also, projection of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Controls over financial reporting may become inadequacy because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate Internal Financial Controls over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March, 2022, based on the Internal Controls 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 S G N & CO
Chartered Accountant
FRN – 134565W

Nirmal Jain

Nirmal Jain
Partner
Membership No.: 154074
UDIN: 22154074AJVETU6759

Place: Mumbai
Date: 28th May, 2022

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

(Amount in ₹)

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

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

As per our attached report of even date.

SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJVETU6759
Date: 28/05/2022

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

Deepak Kumar Gupta
Whole Time Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

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

(Amount in ₹)

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

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

As per our attached report of even date.
SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJVETU6759
Date: 28/05/2022

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

Deepak Kumar Gupta
Whole Time Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

G G Engineering Limited
Standalone Statement of Cash Flow Statement for the year ended March 31st, 2022

(Amount in ₹)

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

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

As per our attached report of even date
SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJVETU6759
Date: 28/05/2022

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

Deepak Kumar Gupta
Whole Time Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

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

A Equity Share Capital

(Amount in ₹)

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

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

B. Other Equity

(Amount in ₹)

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

As at April 1, 2020		1,56,00,000		2,90,94,519	12,502	4,47,07,021
Restated balance at the beginning of the reporting period				-	-	-
Profit for the year				16,81,602	-	16,81,602
Total Comprehensive Income for the year				2,51,727	-	2,51,727
Receipt on Issue of Shares				-	-	-
Converted to Bonus					-	-
As at March 31, 2021		1,56,00,000		3,10,27,848	12,502	4,66,40,350

G G Engineering Limited

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

1 Corporate information

GG Engineering Limited ("the Company") is a company limited by shares having its registered office at Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road,Goregaon West, Near Sahara Apartment Mumbai - 400

The financial statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 28, 2022.

2 Significant accounting policies

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

2.1 Basis of preparation of Financial Statements

a) Statement of compliance with Ind AS:

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

b) Basis of measurement

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

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

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

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

Fair value measurement:

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

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

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

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

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

Where required/appropriate, external valuers are involved.

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

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

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

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

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

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

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

c) Current non-current classification:

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

d) Functional and presentation currency

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

e) Rounding of amounts:

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

2.2 Use of estimates

Deepak

SGN & CO
FRN
Chartered Accountants

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

2.3 Revenue recognition

Sale of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.
Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Revenue (other than sale)

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

Insurance Claims

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

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

Interest Income

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

Dividend

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

2.4 Property, plant and equipment (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of an item of property, plant and equipment comprises –

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

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

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

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other items of PPE, commences when the assets are ready for their intended use.
Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, less impairment losses if any.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

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

On transition to Ind AS:

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

Depreciation:

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

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

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*Based on internal technical evaluation and external advise received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expect to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.
Assets individually costing Rs. 5000 or less are fully depreciated in the year of acquisition.

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

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

Measurement of Fair Value:

a) Fair value hierarchy:

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

b) Valuation technique:

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

2.5 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably
At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as 'intangible assets under development".

Intangible assets are derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset are recognised as income or expense in the statement of profit and loss.

Deemed cost on transition to Ind AS:

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

Amortisation:

Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis.
The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

2.6 **Financial Instruments**

Financial Assets:

Initial recognition and measurement:

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

On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

Financial assets are subsequently classified and measured at

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

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

- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Equity Instruments:

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

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

If the equity investment is not held for trading, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Equity Instruments which are held for trading are classified as measured at FVTPL.
Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.
The Company does not have any equity investments designated at FVOCI.

Derivative financial instruments:

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

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

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

Derecognition:

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

Impairment of Financial Asset:

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

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FRN 134765W
Chartered Accountants

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

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

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Financial Liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Initial recognition and measurement:

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

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

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

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

Subsequent measurement

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

Loans and borrowings

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

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

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

Trade and other payables

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

Derecognition

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

Off setting of Financial Instruments

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

2.7 Impairment of Non-financial assets

The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.8 Borrowing costs

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

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

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

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FRN 134565W
Chartered Accountants

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

The Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

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

2.9 Foreign currency transactions

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

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, the Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life

Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

2.10 Inventories

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

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

- Raw materials, stores and spares: cost includes cost of purchase (viz. the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition and is net of trade discounts, rebates and other similar items) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving Weighted Average Method.
- Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Spare parts, which do not meet the definition of property, plant and equipment are classified as
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

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

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

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2.11 Employee benefits

Short- term employee benefits:

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

Post-employment benefits :

i) Defined contribution plan

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

ii) Defined benefit plan

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

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

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

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

Other long-term employee benefit obligations:

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

2.12 Government Grant:

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

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

Accordingly, government grants :

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

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

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

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

2.13 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

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

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

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

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

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

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

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

2.14 Taxation

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

Current income tax:

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

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Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

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

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

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

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

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

interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax

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

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

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

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

Uncertain Tax Issue:

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

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

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

2.15 Provisions and contingencies

Provisions:

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

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

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

Contingencies:

Contingent liabilities

A contingent liability is:

• a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the

• a present obligation that arises from past events but is not recognised because :

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the

- the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent assets

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

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

2.16 Related party

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

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

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting

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

(i) The entity and the reporting entity are members of the same Group.

(ii) One entity is an associate or joint venture of the other entity.

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

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

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

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

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

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

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

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

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

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

2.17 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and cash on hand and short term deposits/investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an

2.18 Dividend to equity share holders of the Company

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

2.19 Cash Flow Statement

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

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

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

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

2.20 Earnings per share

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

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

2.21 Events after Reporting date

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

2.22 Exceptional Items

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

2.23 Standards notified but not yet effective

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

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

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

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

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

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

Note 3 : Property, Plant and Equipment

(Amount in ₹)

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

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

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

Note 4 : Non Current Investments

(Amount in ₹)

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

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

Note 5 : Loans (Non Current Assets)

(Amount in ₹)

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

Note 6 : Other Financial Assets

(Amount in ₹)

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

Note 7 : Other Non current Assets

(Amount in ₹)

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

Note 8 : Inventories

(Amount in ₹)

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

Note 9 : Trade Receivables

(Amount in ₹)

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

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

(Amount in ₹)

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

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Chartered Accountants

C G Engineering Limited

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

Ageing Schedule for Trade Receivables- Current for F.Y 2020-21

(Amount in ₹)

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

Note 10 : Cash and Cash Equivalents

(Amount in ₹)

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

Note 11 : Loans and Advances (Current Asset)

(Amount in ₹)

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

Ageing Anaylsis of Vendors

(Amount in ₹)

Particulars	Less than 1 year	1 year to 2 year	More Than 2 year
Advance to Vendors	6,99,114		
Total	6,99,114	-	-

Note 12 : Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accured but not due	1,04,339	89,739
Preapaid Insurance	-	1,42,458
Total	1,04,339	2,32,196

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Note 13 : Share Capital

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

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

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

b) Rights, preferences and restrictions attached to shares

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

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

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

d) Disclosure of Shareholding of Promoter

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

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

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

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

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

G G Engineering Limited

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

Note 14 : Other Equity

(Amount in ₹)

Other Equity	Securities Premium Reserve	Retained Earnings	Items of Other Comprehensive Income	Money received against share warrant	Total
Balance as at 1st April, 2021	1,56,00,000	3,13,28,398	-3,00,550	12,502	4,66,27,848
Profit/(Loss) for the year	-	-23,92,167	1,68,726		-22,23,441
Premium Against Share Warrant received during the year	1,41,00,000				
Shares issued during the year	-	-			-
Bonus issued during the year	-	-			-
Balance as at 1st April, 2022	**2,97,00,000**	**2,89,36,231**	**-1,31,824**	**12,502**	**5,85,16,909**

Balance as at 1st April, 2020	1,56,00,000	2,96,46,796	-5,52,277	12,502	4,47,07,021
Profit/(Loss) for the year	-	16,81,602	2,51,727		19,33,329
Shares issued during the year	-	-			-
Bonus issued during the year	-	-			-
Balance as at 1st April, 2021	**1,56,00,000**	**3,13,28,398**	**-3,00,550**	**12,502**	**4,66,40,350**

Note:

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

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

Note 15 : Borrowings

(Amount in ₹)

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

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

Unsecured Loans

(Amount in ₹)

Particulars	As on 31st March, 2022	As on 31st March, 2021
Loan from Directors	1,32,59,795	-
Total	**1,32,59,795**	-

Details of Loans from :

(Amount in ₹)

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

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

Note 16 : Deferred Tax Liabilities (Net)

(Amount in ₹)

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

Note 17 : Trade Payables

(Amount in ₹)

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

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

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

Trade Paybles ageing Schedule for the F.Y 2021-22

(Amount in ₹)

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

Trade Paybles ageing Schedule for the F.Y 2020-21

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
i) MSME					0
ii) Others	2,48,16,107	2,79,15,020	4562455		5,72,93,582
iii) Disputed Dues- MSME					0
iv) Disputed Dues- Others					0
Total	2,48,16,107	2,79,15,020	45,62,455	-	5,72,93,582

Note 18 : Other Current Liabilities

(Amount in ₹)

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

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

Ageing Analysis of Advance to Customers for F.Y 2021-22 (Amount in ₹)

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

Ageing Analysis of Advance to Customers for F.Y 2020-21 (Amount in ₹)

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

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Chartered Accountants

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

Note 19 : Revenue from Operations

(Amount in ₹)

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

Note 20 : Other Income

(Amount in ₹)

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

Note 21 : Cost of Materials Consumed

(Amount in ₹)

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

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

(Amount in ₹)

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

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FRN 134565W
Chartered Accountants

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

Note 23 : Employee Benefit Expenses (Amount in ₹)

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

Note 24 : Finance Costs (Amount in ₹)

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

Note 25 : Depriciation and Amortization Expenses (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depriciation on Plant, Property and Equipment	24,03,790	28,92,906
Total	**24,03,790**	**28,92,906**

Note 26 : Other Expenses (Amount in ₹)

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

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

Note 27: Profit & Loss from Discontinued Operations

(Amount in ₹)

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

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

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FRN 134565W
Chartered Accountants

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

Note 28: Related Party Transaction

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

(Amount in ₹)

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

Deepak Gupta

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

Note 33 : Additional Regulatory Information

Ratios

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

Deepak

S G N & CO Chartered Accountants

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

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

Note 30: Contingent Liability (Amount in ₹)

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

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

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

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

As per our attached report of even date.
SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074
Mumbai
UDIN: 22154074AJVETU6759
Date: 28|05|2022

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

Deepak Kumar Gupta — Whole Time Director — DIN No: 00057003
Kamal Beriwal — Director — DIN No: 00310692

Sapna Tehanguriya — Company Secretary — PAN: BBIPT7756E
Uttam Kumar — Chief Financial Officer — PAN: ACXPK7432R

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
G. G. ENGINEERING LIMITED

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of G. G. Engineering Limited ('The Company") and its subsidiaries (the company and its subsidiaries and sub subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, Consolidated Statement of the Profit & Loss (including other comprehensive income), consolidated statement of changes in equity and the Consolidated statement of cash flow statement for the year ended including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at 31 March 2022, and Consolidated Profit & Loss (including other comprehensive income), consolidated statement of changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act 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 opinion on the consolidated financial statements.

Emphasis of Matter Paragraph

a) We draw attention that we have not verified the Quantitative and physical Stock year to date. The Stock has been verified by third party and the report is provided to us.

As per Standard on Auditing 600 Using the Work of another Auditor, the stock audit report has been provided to us and we have relied on the work done by other auditor.

b) We draw attention that the holding Company has not provided GST liability on the advances received by the Company from vendors. The impact of the liability is not ascertained .

c) We draw the attention that the holding company had discontinued its operation in situated at Palej Industrial Estate, Bharuch, Gujrat pertaining to Genset manufacturing. The holding company also sell its Agriculture land situated at village Bisahara, Pargana, Dadri, G B Nagar, Uttar Pradesh during the year.

d) We draw attention to note no 13 to the Consolidated Audited Financial Results in which the holding company has disclosed that the promoter of the company had reduced their stake in the holding company by 42.80% through selling the share in the open market.

e) We draw attention to note no 31 to the Consolidated Audited Financial Results in which the group has disclosed the Contingent liability of ₹ 75,22,748/- towards disputed income tax demand. The holding company management have the opinion that the outcome of the appeal would be in favor of the holding company hence no provision has been provided.

As per IND AS 37: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS we are of the opinion that the its not a contingent liability. As per our opinion the Probability of favorable outcome is less than 50% in holding company's favor, hence provision should have provided for the liability arising out of income tax dispute.

Our conclusion is not modified in respect of the above all matters.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the Consolidated state of affairs, Consolidated profit and loss (including other comprehensive income), consolidated statement of changes in equity and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective board of directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Group is also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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.

- 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 Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 auditors' report.

Office No.306, 3rd Floor, 439 Hasham Premji CHS LTD, Near Madras Bhavan Hotel, Kalbadevi Road, Mumbai – 400 002
Email – accounts@sgnco.in / nirmal@sgnco.in / shreyans@sgnco.in Contact – 022 49740502

However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the consolidated financial that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and 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 communicative 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. **We did not audit the financial statements of Shashi Beriwal and Company subsidiaries, whose financial statements total assets of Rs. 1,575.60 lakhs as at 31st March, 2022, total revenues of Rs. 740.95 lakhs. The consolidated financial statements also include the Group's share of net profit of Rs. 64.07 lakhs for the year ended 31st March, 2022, whose financial statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly** controlled entities and associates, is based solely on the reports of the other auditors.

b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries which are incorporated in India, as on 31 March 2022 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies. Our Report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements disclosed the impact of pending litigations as at 31 March 2022 on its consolidated financial position of the Group.

ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For S G N & CO
Chartered Accountant
FRN - 134565W

S G N & CO Chartered Accountants 134565W

Nirmal Jain
Partner
Membership No.: 154074
UDIN: 22154074AJVEWH5996

Place: Mumbai
Date: 28th May, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of G. G. Engineering Limited of even date

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **G. G. ENGINEERING LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for the Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the respective 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' Responsibilities

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning Of Internal Financial Controls over Financial Reporting

A company's Internal Financial Controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of the 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 expenditure of the Company are being made only in accordance with authorization of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or frauds may occur and not be detected. Also, projection of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Controls over financial reporting may become inadequacy because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 S G N & CO
Chartered Accountant
FRN – 134565W

S G N & Co FRN 134565W Chartered Accountants

Nirmal Jain
Partner
Membership No.: 154074
UDIN: 22154074AJVEWH5996

Place: Mumbai
Date: 28th May, 2022

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

(Amount in ₹)

Sr. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	5,03,13,257	17,76,78,666
	(b) Goodwill		2,32,14,722	2,32,14,722
	c) Financial Assets			
	(i) Investments	4	36,21,880	36,21,880
	(ii) Loans	5	20,32,750	18,86,792
	(ii) Other Financial Asset	6	17,53,257	21,49,319
	(d) Deferred Tax Assets (Net)	16	12,27,530	-
	(e) Other Non-current Assets	7	2,05,94,556	2,60,41,341
(2)	**Current Assets**			
	(a) Inventories	8	1,82,35,239	4,24,38,350
	(b) Financial Assets			
	(i) Trade Receivables	9	13,83,47,526	6,05,78,248
	(ii) Cash and Cash Equivalents	10	21,11,873	23,37,247
	(iii) Loans	11	1,40,04,563	34,86,062
	(c) Other Current Assets	12	2,39,44,201	2,40,44,415
	TOTAL ASSETS		**29,94,01,354**	**36,74,77,043**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Share Capital	13	10,31,00,450	10,31,00,450
	(b) Other Equity	14	5,35,41,540	3,83,73,097
	(c) Non Controlling Interest	14	2,37,17,532	2,06,01,991
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	-	69,76,345
	(b) Deferred Tax Liabilities (Net)	16	-	18,36,274
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	8,88,18,487	9,87,96,749
	(ii) Trade Payables	17		
	(A) Total Outstanding Dues of Micro and Small Enterprises		-	-
	(B) Total Outstanding Dues of Creditors other than Micro and Small Enterprises		1,07,25,987	7,78,41,333
	(b)Short term Provisions	18	11,39,256	-
	(c) Other current liabilities	19	1,83,58,102	1,99,50,803
	TOTAL EQUITY AND LIABILITIES		**29,94,01,354**	36,74,77,043
	Summary of significant accounting policies	2		

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

As per our attached report of even date.

SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJVEWH5996
Date: 28/05/2022

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

Deepak

Deepak Kumar Gupta
Whole Time Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

G G Engineering Limited

Consolidated Statement of Profit and Loss for the year ended March 31st, 2022

(Amount in ₹)

Sr. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	Revenue from Operations	20	22,55,33,462	37,41,70,495
II	Other Income	21	41,98,330	9,64,186
III	**Total Income (I+II)**		**22,97,31,792**	**37,51,34,680**
IV	**Expenses**			
	Cost of materials consumed	22	3,93,23,994	13,04,28,362
	Purchases of Stock -in-Trade		15,06,26,318	20,06,73,425
	Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress	23	2,78,267	-1,40,31,850
	Employee benefit expenses	24	34,03,197	1,25,56,019
	Finance costs	25	36,47,853	78,53,979
	Depreciation and amortization expenses	26	1,14,16,654	1,19,67,965
	Other Expenses	27	1,68,13,100	3,35,94,538
	Total Expenses (IV)		22,55,09,383	38,30,42,438
V	**Profit/(Loss) before exceptional items and tax (I-IV)**		42,22,409	-79,07,758
VI	Exceptional Items		-	-
VII	**Profit/(Loss) before tax (V-VI)**		42,22,409	-79,07,758
VIII	Tax Expense:			
	(1) Current Tax		11,39,256	2,34,381
	(2) Deferred Tax		-30,63,803	60,122
	(Short)/Excess Provison of Tax		-17,61,546	
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		43,85,410	-82,02,260
X	Profit/(Loss) from discontinued operations	28	-3,70,152	
XI	Tax expense of discontinued operations			
XII	**Profit/(Loss) from Discontinued Operations (after tax) (X-XI)**		-3,70,152	-
XIII	**Profit/(Loss) for the period (IX+XII)**		40,15,258	-82,02,260
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss		1,68,726	2,51,727
	(ii) Income tax relating to items that will be reclassified to profit or loss		-43,869	-65,449
	Total Comprehensive Income for the period (XIII+XIV)		41,40,115	-80,15,982
	Net profit / (loss) is attributable to:			
	Owners		8,99,717	-33,96,326
	Non-controlling interests		31,15,541	-48,05,907
XIV	Earnings per Equity Share	30		
	(1) Basic		0.09	-0.16
	(2) Diluted		0.09	-0.16
	Summary of significant accounting policies	2		

The accompanying notes from 1 to 31 are an integral part of these consolidated IND AS Financial Statements.

As per our attached report of even date.
SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJVEWH5996
Date: 28/05/2022

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

Deepak Kumar Gupta
Wholetime Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

G G Engineering Limited
Consolidated Statement of Cash Flow Statement for the year ended March 31st, 2022

(Amount in ₹)

Particulars		As at 31st March, 2022	As at 31st March, 2021
A. Cash Flow from Operating Activities:			
Net profit before Tax		38,52,257	-7907758
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and Amortisation		1,14,16,654	11967965
Interest income		10,37,150	-80324
Profit/(Loss) on sale of Assets		3,44,629	-
Interest expense		73,72,525	7853979
Sundry Balances W/off		8,48,570	
Operating Profit before Working Capital Changes		2,48,71,785	1,18,33,863
Adjustments for movement in Working Capital:			
(Increase)/Decrease in Trade receivable & Other Current Assets			
(Increase)/Decrease in Trade receivable		-7,77,69,278	-2,07,04,350
(Increase)/Decrease in Current Loans		-1,05,18,501	59,53,096
(Increase)/Decrease in Other Financial Asset		3,96,062	-
(Increase)/Decrease in Other Current Assets		1,00,214	-1,65,822
(Increase) / Decrease in Inventories		2,42,03,111	-68,70,123
Increase/(Decrease) in Trade Payables and other current liabilities			
Increase /(Decrease) in Trade Payables		-	2,03,79,471
Increase/ (Decrease) in Other Current Liabilities		-15,92,701	-78,11,264
Cash Generated from Operations		-4,03,09,308	26,14,870
Direct Taxes paid (net of refund)		2,65,901	1,38,174
Net Cash from Operating Activities	(A)	-4,00,43,407	27,53,045
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets		-14,69,100	(2,18,89,562)
Sale of Fixed Assets		11,98,21,645	-
Interest Income		-10,46,075	80,324
Net Cash used in Investing Activities	(B)	11,73,06,470	(2,18,09,238)
C. Cash Flow from Financing Activities:			
Repayment of Long term borrowings		-69,76,345	-15,97,023
Increase in Loans & Advances		-1,45,958	
Interest Paid		-73,72,525	(78,53,979)
Repayment of Short term borrowings		-99,78,263	
Proceeds from Short term borrowings		-	2,75,08,028
Proceeds from Share Warrant		1,41,00,000	-
Net Cash used in Financing Activities	(C)	-1,03,73,091	1,80,57,027
Net Increase/(Decrease) in Cash and Cash equivalents		6,68,89,971	(9,99,167)
Cash and Cash equivalents - Opening Balance		23,37,247	33,36,414
Cash and Cash equivalents - Closing Balance		21,11,873	23,37,247
Components of Cash and Cash Equivalents			
Bank balance in current account		9,25,483	4,11,120
Cheque Issue but not credited		30,000	-
Cash on hand		11,56,390	19,26,127
Total		21,11,873	23,37,247

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

As per our attached report of even date.
SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJVEWH5996
Date: 28/05/2022

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

Deepak Kumar Gupta
Wholetime Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

G G Engineering Limited
Consolidated Statement of change in Equity for the year ended March 31, 2022

A Equity Share Capital

(Amount in ₹)

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

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

B. Other Equity

(Amount in ₹)

As at	Reserves and Surplus				Money received against share warrants	Total for the Group Company	Attributable to NCI	Total
	Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Consolidated Surplus				
As at March 31, 2021		1,56,00,000		2,27,60,595	12,502	3,83,73,097	2,06,01,991	5,89,75,088
Restated balance at the beginning of the reporting period						-		
Profit for the year				8,99,717		8,99,717	31,15,541	40,15,258
Money received against warrants during the year		1,41,00,000				1,41,00,000		1,41,00,000
Total Comprehensive Income for the year				1,68,726		1,68,726		
Issue of Shares						-		
As at March 31, 2022	-	2,97,00,000	-	2,38,29,038	12,502	5,35,41,540	2,37,17,532	7,70,90,346
As at March 31, 2020		1,56,00,000		2,59,05,194	12,502	4,15,17,696	2,54,07,898	6,69,25,594
Restated balance at the beginning of the reporting period								
Profit for the year				-33,96,326		-33,96,326	-48,05,907	-82,02,233
Total Comprehensive Income for the year				2,51,727		2,51,727		
Issue of Shares				-	-	-		-
As at March 31, 2021	0	1,56,00,000	0	2,27,60,595	12,502	3,83,73,097	2,06,01,991	5,89,75,088

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S G N & CO Chartered Accountants

G G Engineering Limited

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

1 Corporate information

GG Engineering Limited ("the Company") is a company limited by shares having its registered office at Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road,Goregaon West, Near Sahara Apartment Mumbai - 400 104. From Ghaziabad, Uttar Pradesh, the company is trading into Iron and Steel Metals.

The consolidated financial Statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 28, 2022.

2 Significant accounting policies

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

2.1 Basis of preparation of consolidated financial Statements

a) Statement of compliance with Ind AS:

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

b) Basis of measurement

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

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

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

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

Fair value measurement:

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

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

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

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

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

Where required/appropriate, external valuers are involved. Deepak

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S G N & CO. Chartered Accountants

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

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

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

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

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

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

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

c) Current non-current classification:

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

d) Functional and presentation currency

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

e) Rounding of amounts:

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

2.2 Use of estimates

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

2.3 Revenue recognition

Sale of goods

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

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

Revenue (other than sale)

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

Insurance Claims

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

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

Interest Income

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

Dividend

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

2.4 Property, plant and equipment (PPE)

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Chartered Accountants
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Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of an item of property, plant and equipment comprises –

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

ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii. borrowing cost directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost.

iv. the costs of dismantling, removing the item and restoring the site on which it is located.

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

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

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

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

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

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

On transition to Ind AS:

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

Depreciation:

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

Type of assets	Useful life in years

Deepak Saboo

Buildings	
Factory Building	60 years
Plant and Machinery *	5 - 25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 - 10 years
Computers	3 years

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

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

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

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

Measurement of Fair Value:

a) Fair value hierarchy:

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

b) Valuation technique:

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

2.5 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

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

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

Deemed cost on transition to Ind AS:

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

Amortisation:

Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis. Estimated useful lives by major class of finite-life intangible assets are as follows:

Type of assets	Useful life in years
Computer software	5 years

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

2.6 Financial Instruments

Financial Assets:

Initial recognition and measurement:

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

On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

Financial assets are subsequently classified and measured at

- amortised cost (if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding)
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Equity Instruments:

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

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

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

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

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

Derivative financial instruments:

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

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

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

Derecognition:

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

Impairment of Financial Asset:

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

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

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

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Financial Liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Initial recognition and measurement:

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

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

The fair value of a financial instrument at initial recognition is normally the transaction price. If the Company determines that the fair value at initial recognition differs from the transaction price, difference between the fair value at initial recognition and the transaction price shall be recognized as gain or loss unless it qualifies for recognition as an asset or liability. This normally depends on the relationship between the lender and borrower or the reason for providing the loan. Accordingly in case of interest-free loan from promoters to the Company, the difference between the loan amount and its fair value is treated as an equity contribution to the Company.

In accordance with Ind AS 113, the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

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

Subsequent measurement

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

Loans and borrowings

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

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

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

Trade and other payables

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

Derecognition

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

Off setting of Financial Instruments

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

2.7 Impairment of Non-financial assets

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The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.8 Borrowing costs

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

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

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

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

The Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

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

2.9 Foreign currency transactions

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

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, the Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life of the asset.

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Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated financial Statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

2.10 Inventories

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

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

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

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

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

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

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

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

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

2.11 Employee benefits

Short- term employee benefits:

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

Post-employment benefits :

i) Defined contribution plan

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

ii) Defined benefit plan

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

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

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

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

Other long-term employee benefit obligations:

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

2.12 Government Grant:

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

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

Accordingly, government grants :

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

b) related to an expense item is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed and presented as deduction from the related/relevant expense.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

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

2.13 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

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

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

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

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

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

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

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

2.14 Taxation

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

Current income tax:

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

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

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

Uncertain Tax Issue:

The company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.
In determining the approach that predicts the resolution of the uncertainty, the Company has considered most likely amount method & expected value method. Company adopted most likely amount method for resolution of the uncertainty of its tax treatment.
The company determined, based on its tax compliance that it is probable that its tax treatment will be accepted by taxation authorities.

2.15 Provisions and contingencies

Provisions:

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

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

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

Contingencies:

Contingent liabilities

A contingent liability is:

• a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or

• a present obligation that arises from past events but is not recognised because :

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent assets

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

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

2.16 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company is engaged in the business of Electric Parts Manufacturing, Iron and Steel Trading and Manufacturing of Packaged food juice and cold drinks which is considered as the only reportable business segment. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. He evaluates the Company's performance and allocates resources based on analysis of various performance indicators by geographical areas only.

2.17 Related party

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

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

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

(i) The entity and the reporting entity are members of the same Group.

(ii) One entity is an associate or joint venture of the other entity.

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

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

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

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

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

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

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

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

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

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

2.18 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and cash on hand and short term deposits/investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by the Company.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an entity's cash management.

2.19 Dividend to equity share holders of the Company

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

2.20 Cash Flow Statement

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

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

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

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

2.21 Earnings per share

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

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

2.22 Events after Reporting date

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

2.23 Exceptional Items

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

2.24 Standards notified but not yet effective

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

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

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

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

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its consolidated financial Statements.

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

Note 3 : Property, Plant and Equipment

(Amount in ₹)

Particulars	Freehold Land	Buildings	Plants and Equipment	Computers	Total
Cost/Deemed Cost					-
At 31st March, 2020	9,60,53,432	1,38,99,272	7,57,15,065	3,48,167	18,60,15,936
Additions			2,18,25,108	64,454	2,18,89,562
Deletions					-
At 31st March, 2021	9,60,53,432	1,38,99,272	9,75,40,173	4,12,621	20,79,05,498
Additions	-	-	14,69,100	-	14,69,100
Deletions	9,36,45,754	92,47,287	1,44,86,254	38,560	11,74,17,855
At 31st March, 2022	24,07,678	46,51,985	8,45,23,019	3,74,061	9,19,56,743
Depriciation and Impairment					
At 31st March, 2020	-	37,11,070	1,42,58,520	2,89,277	1,82,58,867
Depriciation charge for the year		2,02,974	1,16,94,231	70,759	1,19,67,965
Disposals					-
At 31st March, 2021	-	39,14,044	2,59,52,751	3,60,036	3,02,26,832
Depriciation charge for the year		1,60,640	1,12,41,990	14,024	1,14,16,654
Disposals					
At 31st March, 2022	-	40,74,684	3,71,94,741	3,74,060	4,16,43,486
Net Book Value					
At 31 March 2022	24,07,678	5,77,301	4,73,28,278	0	5,03,13,257
At 31 March 2021	9,60,53,432	99,85,228	7,15,87,422	52,584	17,76,78,666

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

Note 4 : Non Current Investments

(Amount in ₹)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Investments in Equity Instruments				
Quoted				
25 equity shares of Reliance Power Ltd	25	6,880	25	6880
Unquoted				
(2,500 Equity Shares of The Saraswat Co operative Bank Ltd. @Rs. 10/- each at cost)	2,500	25,000	2,500	25,000
400 Equity Shares of dawn View farms Pvt Ltd.	400	40,000	400	40,000
16000 Equity Shares of Kamal Ispat Pvt Ltd.	16,000	35,50,000	16,000	35,50,000
Total	**18,925**	**36,21,880**	**18,925**	**36,21,880**

Note 5 : Loans (Non Current)

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Repayable on Demand		
Kamlesh Kumar Rathi, no interest is charged	20,00,000	18,86,792
Kamal Ispat Pvt Ltd	32,750	-
Total	**20,32,750**	**18,86,792**

Note 6 : Other Financial Assets

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	13,03,257	16,99,319
Term deposits with banks with maturity period more than 12 months	4,50,000	4,50,000
Total	**17,53,257**	**21,49,319**

Note 7 : Other Non current Assets

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Government Authorities	1,90,90,006	2,45,36,791
Deposits for IT Appeal for AY 17-18	15,04,550	15,04,550
Total	**2,05,94,556**	**2,60,41,341**

Note 8 : Inventories

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	1,15,21,082	2,39,79,082
Work-in-Progress	-	20,922
Finished Goods	67,14,157	1,84,38,346
Total	**1,82,35,239**	**4,24,38,350**

Note 9 : Trade Receivables

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured and considered good	-	
From Related Parties	-	-
From Others	-	-
Unsecured and considered good	-	
From Related Parties	-	
From Others	13,80,39,226	6,05,78,248
Doubtful	-	
From Related Parties	-	-
From Others	3,08,300	-
Less: Allowance for doubtful debts	-	-
Total	**13,83,47,526**	**6,05,78,248**

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

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

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment					
	Less Than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables-Considered Good	11,84,32,999	1,80,16,825	3,03,896	952162	333344	13,80,39,226
ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables-Considered Good	-	-	-	-	-	-
v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	3,08,300	3,08,300
vi) Disputed Trade Receivables- credit impaired		-	-	-	-	-
Total	11,84,32,999	1,80,16,825	3,03,896	9,52,162	6,41,644	13,83,47,526

Ageing Schedule for Trade Receivables- Current for F.Y 2020-21

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment					
	Less Than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables-Considered Good	4,51,07,584	1,00,04,762	33,35,009	481449	13,41,144	6,02,69,948
ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables-Considered Good	-	-	-	-	-	-
v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	308300	3,08,300
vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	4,51,07,584	1,00,04,762	33,35,009	4,81,449	16,49,444	6,05,78,248

Note 10 : Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Cash and Bank Balances		
Bank balance in current account	9,25,483	4,11,120
Cheque Issue but not credited	30,000	
Cash on hand	11,56,390	19,26,127
Total	21,11,873	23,37,247

Note 11 : Loans (Current)

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans to Employees	-	5,08,500
Loan to Others	1,02,57,808	-
Advance to Staff	8,97,506	-
Advance to Vendors	28,49,249	29,77,562
Total	1,40,04,563	34,86,062

Note 12 : Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accured but not due	1,04,339	89,739
Preapaid Insurance	42,362	1,57,176
Subsidy Receivable	2,37,97,500	2,37,97,500
Total	2,39,44,201	2,40,44,415

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Note 13 : Share Capital

(Amount in ₹)

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Share:				
Balance as at the beginning of the year	1,03,10,045	2,06,20,090	1,03,10,045	10,31,00,450
Add: Issued during the year for Cash			-	-
Add: Issued during the year as Bonus				
Add: Adjustement for sub-division of equity share	4,12,40,180			
Balance as at the end of the year	**5,15,50,225**	**2,06,20,090**	**1,03,10,045**	**10,31,00,450**

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

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

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinod Beriwal	8,66,665	1.68%	16,50,000	16.00%
Sangeeta Beriwal	-	-	16,08,333	15.60%
Kamal Beriwal	8,66,665	1.68%	15,00,000	14.55%
Rashi Gupta	-	-	7,75,000	7.52%
TCG Funds Fund 1	-	-	5,96,820	5.79%
Ramesh Sawalram Saraogi	-	-	15,00,000	14.55%
Hardik Shah	-	-	1,66,101	1.61%
Manisha Shah	-	-	-	-
Stepping Stone Construction Pvt Ltd	41,90,763	8.13%		
Total	**59,24,093**	**11.49%**	**77,96,254**	**75.62%**

d) **Disclosure of Shareholding of Promoter**

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

Name of Promoter	No. of Shares		No. of Shares		% Change
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Vinod Beriwal	8,66,665	1.68%	16,50,000	16.00%	-14.32%
Kamal Beriwal	8,66,665	1.68%	15,00,000	14.55%	-12.87%
Sangeeta Beriwal	-	0.00%	16,08,333	15.60%	-15.60%
Shashi Devi	830	0.00%		0.00%	0.00%
Total	**17,34,160**	**3.36%**	**47,58,333**	**46.15%**	**42.79%**

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

Name of Promoter	As at March 31, 2021		As at March 31, 2020		% Change
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Vinod Beriwal	16,50,000	16.00%	16,50,000	16.00%	0.00%
Kamal Beriwal	15,00,000	14.55%	15,00,000	14.55%	0.00%
Sangeeta Beriwal	16,08,333	15.60%	16,08,333	15.60%	0.00%
Shashi Devi	830	0.01%	830	0.01%	0.00%
Total	**47,59,163**	**46.16%**	**47,59,163**	**46.16%**	**0.00%**

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

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

Note 14 : Other Equity

(Amount in ₹)

Other Equity	Securities Premium Reserve	Consolidated Surplus	Items of Other Comprehensive Income	Money received against share warrants	Total	Movement in Non Controlling Interest
Balance as at 1st April, 2021	**1,56,00,000**	**2,30,61,145**	-3,00,551	12,502	3,83,73,097	2,06,01,991
Profit/(Loss) for the year		8,99,717	1,68,726		10,68,444	31,15,541
Shares issued during the year					-	
Bonus issued during the year					-	
Money received against warrants during the year	1,41,00,000				1,41,00,000	
Shares issued against warrants during the year					-	
Balance as at 1st April, 2022	**2,97,00,000**	**2,39,60,863**	**-1,31,824**	12,502	5,35,41,540	2,37,17,532

Balance as at 1st April, 2020	1,56,00,000	2,64,57,472	-5,52,277	12,502	4,15,17,696	2,54,07,898
Profit/(Loss) for the year		-33,96,326	2,51,727		-31,44,600	-48,05,907
Shares issued during the year					-	
Bonus issued during the year					-	
Warrants issued during the year					-	
Shares issued against warrants during the year					-	
Balance as at 1st April, 2021	**1,56,00,000**	2,30,61,145	-3,00,551	12,502	3,83,73,097	2,06,01,991

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

Note 15 : Borrowings (Amount in ₹)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Bonds				
Term Loans:				
Secured	-	3,12,48,691	69,76,345	7,38,21,749
Unsecured		5,75,69,796		2,49,75,000
Total	-	8,88,18,487	69,76,345	9,87,96,749

Particulars	Security	Amount in Rupees			
		As at March 31, 2022		As at March 31, 2021	
		Non-current	Current	Non-current	Current
Term Loans: Secured					
Rupee Term loans from Banks	Secured against personal guarantee of Directors and hypothecation of imported Plant and Machinery, at the rate of interest: PLR+3.25%p.a.			59,33,855	23,00,401
Rupees Loan for Motor Car	Secured against Car, repayable within 5 years as per repayment schedule at the rate of interest of 8.49%.		46,674	46,674	1,11,471
Rupees Loan for Truck	Secured against Truck, repayable within 5 years as per repayment schedule at the rate of interest of 10.5%.		9,95,816	9,95,816	3,88,825
Cash Credit Facility	Secured against personal guarantee of Directors and Residential Flat of Directors at the rate of interest of 13.5% to 15% p.a.			-	3,48,04,039
Cash Credit Facility	(Secured against Book debts and Stock in Trade at the rate of interest of 13.5% to 15% p.a.)				3,62,17,014
South Indian Bank A/c			2,58,80,894		
South Indian Bank A/c			43,25,306		
Total		-	3,12,48,691	69,76,345	7,38,21,749

Unsecured Borrowings (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loan from Director- Vinod Beriwal	1,09,23,734	-
Sangeeta Beriwal	23,36,062	-
Kamal Beriwal	1,62,50,000	68,50,000
Rashi Gupta	59,00,000	1,41,25,000
Shashi Devi Beriwal	74,60,000	33,00,000
Rajeshwar Nath Gupta	25,00,000	-
S K M Steels LLP	1,15,00,000	-
Green Wood Estates Private Limited	700000	7,00,000
Total	5,75,69,796	2,49,75,000

Details of Loans from : (Amount in ₹)

Type of Borrower	Amount of Loan outstanding	% of Total Borrowings
Promoter	-	-
Director	3,54,09,796	40%
Related Parties		-
Total	3,54,09,796	40%

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

Note 16 : Deferred Tax Liabilities (Net) (Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Depreciation	2,19,298	17,63,110
Other timing difference	73,164	73,164
Deferred tax assets		
Depreciation	-15,19,992	
Other timing difference		
Total	-12,27,530	18,36,274

Note 17 : Trade Payables (Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small and Medium Enterprises	-	-
Due to Related Parties	-	-
Due to Others	1,07,25,987	7,78,41,333
Total	1,07,25,987	7,78,41,333

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

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

Trade Paybles ageing Schedule for the F.Y 2021-22

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	79,94,809	27,31,178	-	-	1,07,25,987
iii) Disputed Dues- MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-
Total	79,94,809	27,31,178	-	-	1,07,25,987

Trade Paybles ageing Schedule for the F.Y 2020-21

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	4,32,50,369	3,00,28,509	45,62,455	-	7,78,41,333
iii) Disputed Dues- MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-
Total	4,32,50,369	3,00,28,509	45,62,455	-	7,78,41,333

Note 18 : Short Term Provisions (Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Provisions	11,39,256	-
Total	11,39,256	-

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G G Engineering Limited
Notes forming part of Consolidated Financial Statements for the year ended March 31, 2022
Note 19 : Other Current Liabilities

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Revenue received in advance:		
Advance received from customers	1,28,83,329	1,53,70,160
(b) Other Payables		
Statutory Due Payable	37,64,208	9,32,883
Audit Fees Payable	70,000	-
Provision for expenses	16,40,565	36,47,760
Total	**1,83,58,102**	**1,99,50,803**

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

(Amount in ₹)

Particulars	Less than 1 year	1 year to 2 year	More Than 2year	Total
Undisputed	1,17,33,329	1,00,000	8,00,000	1,26,33,329
Disputed	-	2,50,000		2,50,000
Total	1,17,33,329	3,50,000	8,00,000	1,28,83,329

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

(Amount in ₹)

Particulars	Less than 1 year	1 year to 2 year	More Than 2year	Total
Undisputed	1,38,50,160	11,00,000	4,20,000	1,53,70,160
Disputed				-
Total	1,38,50,160	11,00,000	4,20,000	1,53,70,160

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

Note 20 : Revenue from Operations (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Manufactured Goods	4,16,73,947	16,09,03,186
b. Stock in Trade	15,14,38,717	20,57,81,030
Other Operating Revenues	-	
Commission Income	3,24,20,798	74,86,279
Total	**22,55,33,462**	**37,41,70,495**

Note 21 : Other Income (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Income on:		
Bank Deposits	10,08,275	70,604
Interest on Income Tax Refund	8,925	
Rental Income	6,00,000	6,00,000
Other Interest Income	19,950	9,720
Discount Received	2,24,000	
Profit on sale of assets	11,67,180	-
Sundry Credit Balance Written off	11,70,000	
Miscellaneous Income	-	2,83,862
Total	**41,98,330**	**9,64,186**

Note 22 : Cost of Materials Consumed (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials Consumed		
Raw Materials at the beginning of the year	1,77,67,338	3,11,40,809
Add: Purchases	3,25,86,508	12,32,66,635
Less: Raw materials at the end of the year	1,10,29,852	2,39,79,082
Total Cost of Raw Materials consumed	3,93,23,994	13,04,28,362
Total Cost of Materials Consumed	**3,93,23,994**	**13,04,28,362**

Note 23 : Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Inventories		
Finished Goods	28,00,977	43,08,456
Work-in-Process	20,922	1,18,962
	28,21,899	44,27,418
Closing Inventories		
Finished Goods	25,43,632	1,84,38,346
Work-in-Process	-	20,922
	25,43,632	1,84,59,268
Total changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	**2,78,267**	**-1,40,31,850**

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Note 24 : Employee Benefit Expenses (Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries, Wages and Bonus	20,20,644	97,45,082
Contribution to Employee Provident Funds	19,248	1,45,877
Staff welfare expenses	63,305	1,73,386
Director Remuneration	13,00,000	24,91,674
Total	**34,03,197**	**1,25,56,019**

Note 25 : Finance Costs

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Bank Interest	36,25,985	77,74,852
Other Borrowing Cost	21,868	79,127
Total	**36,47,853**	**78,53,979**

Note 26 : Depriciation and Amortization Expenses

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depriciation on Plant, Property and Equipment	1,14,16,654	1,19,67,965
Total	**1,14,16,654**	**1,19,67,965**

Note 27 : Other Expenses

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Labour Charges	61,800	79,61,720
Auditors Remuneration	-	
-Statutory Audit Fees	92,000	92,000
-Tax Audit Fees	50,000	50,000
Advertisements	12,760	1,76,948
Administrative Expenses	4,80,000	
Business Promotion	28,245	
Discount & Rebate	39,812	
Conveyance & Travelling	1,34,670	5,07,160
Insurance Charges	23,556	3,38,351
Loading and Unloading Charges	50,000	
Rate and Taxes	1,69,021	7,71,657
Power & Fuel	70,28,912	1,40,91,783
Professional Charges	82,350	13,25,913
Rent Expense	43,94,382	45,59,416
Freight Charges / Transport (Net of Income)	2,09,319	7,74,306
Repairs and Maintenance		
-Plant and Machinery	-	49,380
-Others	3,16,499	13,43,314
Office Expense	15,500	
Telephone, Internet & Computer Charges	23,888	1,77,851
Printing, Stationery & Courier Expenses	19,917	73,802
Miscellneous Expenses	2,44,425	9,85,937
Sundry Balances Written off	8,53,437	15,000
Bad Debts	13,40,806	
Purchase Consumable Material	3,19,250	
Loss on Sale of Asset	8,22,551	
Software and Subscription Expenses	-	3,00,000
Total	**1,68,13,100**	**3,35,94,538**

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FRN 134565W
Chartered Accountants

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

Note 28: Profit & Loss from Discontinued Operations

(Amount in ₹)

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

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

Note 29: Related Party Transaction

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

(Amount in ₹)

Transactions	As at March, 2022	As at March, 2021
Directors Renumeration		
Vinod Beriwal	12,00,000	12,91,674
Kamal Beriwal		12,00,000
Loan from Director- Vinod Beriwal		
Amount Outstanding at the beginning of the year	-	
Amount received during the year	1,13,95,000	
Amount repaid during the year	4,71,266	
Amount Outstanding at the end of the year	1,09,23,734	
Loan from Director- Sangeeta Beriwal		
Amount Outstanding at the beginning of the year	-	
Amount received during the year	23,50,000	
Amount repaid during the year	13,939	
Amount Outstanding at the end of the year	23,36,061	
Unserured Loan taken from		
Kamal Beriwal	94,00,000	27,00,000
Rashi Gupta		1,41,25,000
Shashi Devi Beriwal	41,60,000	33,00,000
Unserured Loan repaid during the year		
Kamal Beriwal		
Rashi Gupta	82,25,000	
Shashi Devi Beriwal		
Unserured Loan Payable as at year end		
Kamal Beriwal	1,62,50,000	68,50,000
Rashi Gupta	59,00,000	1,41,25,000
Shashi Devi Beriwal	74,60,000	33,00,000
Salary to Chief Financial Officer	5,000	5,000
Salary to Company Secretary	48,000	42,000

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FRN 134565W
Accountants

G G Engineering Limited

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

Note 29 : Segment Reporting

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services.

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The business segment comprises of the following:

Electric Parts Manufacturing: It had factory at were it has business of assembling and selling of electrical parts.During the current year in quarter 4 the company has discontinued the operations at the manufacturing factory.

Iron and Steel Trading: From Ghaziabad, Uttar Pradesh, the company is trading into Iron and Steel Metals.

Manufacturing of Packaged food juice and cold drinks : It has a manufacturing plant at Rai Industrial Estate in Sonipet District at Haryana

There are no Geographical segment to be considered, since the entire business is in India.

(Amount in ₹)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	Revenue		
	Genset/Electric Parts Manufacturing		7,17,88,416
	Iron and Steel Trading	15,14,38,717	20,57,81,030
	Manufacturing of Packaged Fruit Juice	4,16,73,947	8,91,14,769
	Sub Total	**19,31,12,664**	**36,66,84,216**
	Other operating revenue		
	Genset/Electric Parts Manufacturing	-	-
	Iron and Steel Trading	-	-
	Manufacturing of Packaged Fruit Juice	3,24,20,798	74,86,279
	Sub Total	**3,24,20,798**	**74,86,279.00**
	Total Revenue	**22,55,33,462**	**37,41,70,495**
	Segment result – segments in profit		
	Genset/Electric Parts Manufacturing	-	-13,03,597
	Iron and Steel Trading	-30,80,511	33,87,395
	Manufacturing of Packaged Fruit Juice	73,02,920	-99,91,556
	Tax expense	1,63,001	2,94,502
	Profit after tax	**43,85,410**	**-82,02,260**
	Other information		
	Segment Assets		
	Genset/Electric Parts Manufacturing	-	1,44,32,922
	Iron and Steel Trading	18,76,42,321	11,71,80,519
	Manufacturing of Packaged Fruit Juice	15,75,60,340	13,16,13,441
	Total Assets	**34,52,02,661**	**26,32,26,882.00**
	Segment liabilities		
	Genset/Electric Parts Manufacturing	-	10,00,95,396
	Iron and Steel Trading	2,60,24,962	1,72,02,326
	Manufacturing of Packaged Fruit Juice	10,87,82,832	8,71,93,358
	Unallocated corporate liabilities		-
	Total liabilities	**13,48,07,794**	**20,44,91,080.45**
	Capital expenditure		
	Genset/Electric Parts Manufacturing	-	80,11,354
	Manufacturing of Packaged Fruit Juice	14,69,100	1,38,78,208
	Depreciation and amortization included in segment expense		
	Genset/Electric Parts Manufacturing	24,03,790	28,92,907
	Iron and Steel Trading		-
	Manufacturing of Packaged Fruit Juice	90,12,864	90,75,058

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

Note 33 : Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year
Current ratio (in times)	Total Current Assets	Total Current Liabilities	1.65	0.68
Debt- Equity Ratio (in times)	Debt consist of Borrowings	Total Equity	0.49	0.65
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.78	1.23
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	4%	-8%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.06	7.45
Trade payables turnover ratio (in times)	Purchases	Average trade payables	3.40	1.88
Inventory Turnover ratio	Cost of Goods Sold	Average Inventory	2.84	2.17
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	3.92	-5.87
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.01	-0.021
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	0.062	-0.0003
Return on Investment (in %)	Income generated from invested funds	Average invested funds	0.0230	-0.0495

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SGN & CO
FRN 134565W
Chartered Accountants

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

Note 30: Earnings per Shares	As at March 31, 2022	As at March 31, 2021 (Restated)
Basic EPS		
Profit for the year	43,85,410	(82,02,260)
Weighted number of shares outstanding	5,15,50,225	5,15,50,225
Basic and Diluted EPS (Rs.)	0.09	(0.16)
Diluted EPS		
Profit for the year	43,85,410	(82,02,260)
Weighted number of shares outstanding	5,15,50,225	5,15,50,225
Basic and Diluted EPS (Rs.)	0.09	(0.16)

Note 31: Contingent Liability

(Amount in ₹)

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

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

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

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

As per our attached report of even date.
SGN & Co
Chartered Accountants
FRN 134565W

Nirmal Jain
Partner
Membership No 154074

Place: Mumbai
UDIN: 22154074AJYEWH5996
Date: 28/05/2022

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

Deepak Kumar Gupta
Wholetime Director
DIN No: 00057003

Kamal Beriwal
Director
DIN No: 00310692

Sapna Tehanguriya
Company Secretary
PAN: BBIPT7756E

Uttam Kumar
Chief Financial Officer
PAN: ACXPK7432R

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2022, and March 31, 2021. For further details please refer to the chapter titled "Financial Statements" beginning on page 84 of this Draft Letter of Offer.

Earning Per share (Basic)

(in Lakhs)

Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Net profit / (loss) after tax, attributable to equity shareholders	(23.92)	16.82
Weighted average number of Equity Shares outstanding	5,15,50,225	5,15,50,225
Basic EPS in ₹	**(0.046)**	**0.033**
Face Value* in ₹	2/-	2/-

* The Face Value per Equity Share as on date of Draft Letter of Offer is Rs. 1/-.

Earning Per share (Diluted)

(in Lakhs)

Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Net profit / (loss) after tax, attributable to equity shareholders	(22.67)	18.67
Weighted average number of Equity Shares outstanding	5,15,50,225	5,15,50,225
Diluted EPS in ₹	**(0.044)**	**0.036**
Face Value* in ₹	2/-	2/-

* The Face Value per Equity Share as on date of Draft Letter of Offer is Rs. 1/-.

Net Asset Value Per Share

(in Lakhs)

Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Net Worth (A)	1616.17	1497.41
Number of Equity shares Outstanding (B)	5,15,50,225	5,15,50,225
NAV (A/B)	**3.14**	**2.90**
Face value* in ₹	2/-	2/-

* The Face Value per Equity Share as on date of Draft Letter of Offer is Rs. 1/-.

Return on Net Worth

(in Lakhs)

Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Net Worth (A)	1616.17	1497.41
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations Attributable to Equity Holders (B)	(23.92)	16.82
RONW (B/A*100)	**(1.48)**	**1.08**

EBITDA

(in Lakhs)

Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Profit/(Loss) after tax (A)	(20.22)	16.82
Tax Expenses/ (Credit) (B)	(10.58)	4.02
Exceptional items (C)	-	-
Finance Cost (D)	-	43.77
Depreciation & Amortisation expense (E)	24.04	28.93
EBITDA (A+B+C+D+E)	**(6.76)**	**93.54**

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year.
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year.
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year.
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the Audited Financial Statements

CAPITALISATION SATATEMENT

The capitalization statement of the Company as at March 31, 2022 and as adjusted for the Issue as per standalone financials is as follows:

Particulars	Pre-issue as at March 31, 2022	Adjusted for the Issue
Total Borrowings		
Current Borrowings (A)	143.02	**[•]**
Non- Current Borrowings (including current Maturity) (B)	-	**[•]**
Total Borrowings (C) = (A) + (B)	143.02	**[•]**
Total Equity		
Equity Share Capital (D)	1031.00	**[•]**
Other Equity (E)	585.16	**[•]**
Total Equity (F)= (D) +(E)	1616.17	**[•]**

Note: The figures disclosed above are based on the audited books of accounts of the Company as at March 31, 2022.

MARKET PRICE INFORMATION

Our Company's Equity Shares are listed on the BSE Limited.
1) Year is a Financial Year
2) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Year	Date of High	High	Volume on the Date of High	Date of Low	Low	Volume on the Date of Low	Average price for the Year
2021-2022	26.04.2021	129.7	86866	29.03.2022	5.95	1693161	67.83
2020-2021	16.02.2021	144	77747	01.04.2020	30	12500	87.00
2019-2020	02.04.2019	69.95	6000	19.11.2019	17	50000	43.48

Source: www.bseindia.com

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

Year	Date of High	High	Volume on the Date of High	Date of Low	Low	Volume on the Date of Low	Average price for the Month
January 2022	05.01.2022	14.24	2041320	25.01.2022	10.61	255899	12.43
February 2022	03.02.2022	11.99	765996	25.02.2022	7.29	3705738	9.64
March 2022	04.03.2022	8.15	1250875	29.03.2022	5.95	1693161	7.05
April 2022	07.04.2022	7.17	5151689	19.04.2022	5.25	786432	6.21
May 2022	02.05.2022	5.88	271023	25.05.2022	4.80	110622	5.34
June 2022	06.06.2022	5.47	864588	15.06.2022	2.48	4219104	3.98

Week end closing prices of the Equity Shares for the last four weeks:

Week Ended on	Closing Price	High price	Date of High	Low Price	Date of Low
June 17, 2022	2.36	2.90	13.06.2022	2.32	17.06.2022
June 10, 2022	3.22	5.47	06.06.2022	2.60	08.06.2022
June 03, 2022	5.28	5.75	31.05.2022	4.97	01.06.2022
May 27, 2022	4.98	5.51	23.05.2022	4.80	25.05.2022

Note

6. During the financial year 2021-2022, the company has given intimation to stock Exchange for stock split from Rs. 2/- (Rupees Two) to Rs. 1/- (Rupee One) in its meeting held on April 27, 2022, which was approved by shareholders through postal ballot. The record date was June 9, 2022.
7. During the financial year 2020-2021, the company has given intimation to stock Exchange for stock split from Rs. 10/- (Rupees Ten) to Rs. 2/- (Rupees Two) in its meeting held on April 24, 2021, which was approved by shareholders through postal ballot. The record date was June 22, 2021.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Draft Letter of Offer there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no:

a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigationor legal action;
c) pending proceedings initiated against our Company for economic offences;
d) default and non-payment of statutory dues by our Company;
e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
f) material frauds committed against our Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

a) the monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or

b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and

c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Draft Red Herring Prospectus.

I. LITIGATIONS INVOLVING OUR COMPANY

A. FILED AGAINST OUR COMPANY:

1) **Litigation Involving Criminal Laws –** NIL
2) **Litigations involving Actions by Statutory /Regulatory Authorities –** 2
   The company is involved in certain action taken by statutory/ Regulatory Authority involving amount of Rs. 250,000 along with interest @ 18 % p.a.
3) **Disciplinary Actions by Authorities –** NIL
4) **Litigation involving Tax Liability:**
   Indirect Tax:
   Direct Tax:
   The company has received a demand order of Rs. 75,22,748 u/s 156 of the Income Tax Act 1961 for AY 17-18. The company has filed for appeal against this demand order and it has not created any provision in the books of accounts of the company.
5) **Other Pending Litigation based on Materiality Policy of our Company-** NIL

B. FILED BY OUR COMPANY:

1) **Litigation Involving Criminal Laws -** NIL
2) **Litigations involving Actions by Statutory /Regulatory Authorities –** NIL
3) **Disciplinary Actions by Authorities –** NIL
4) **Litigation involving Tax Liability –** NIL
   Indirect Tax:
   Direct Tax:
5) **Other Pending Litigation based on Materiality Policy of our Company-** NIL

II. LITIGATIONS INVOLVING OUR PROMOTERS/DIRECTORS

A. AGAINST OUR PROMOTERS/DIRECTORS

1) **Litigation involving Criminal Laws – NIL**
2) **Litigation Involving Actions by Statutory/Regulatory Authorities –** NIL
3) **Disciplinary Actions by Authorities -** NIL
4) **Litigation involving Tax Liability -** NIL
5) **Other Pending Litigation based on Materiality Policy of our Company-** NIL

B. BY OUR PROMOTERS/DIRECTORS

1) **Litigation involving Criminal Laws – NIL**
2) **Litigation Involving Actions by Statutory/Regulatory Authorities –** NIL

3) **Disciplinary Actions by Authorities -** NIL
4) **Litigation involving Tax Liability -** NIL
5) **Other Pending Litigation based on Materiality Policy of our Company-** NIL

III. LITIGATIONS INVOLVING OUR GROUP ENTITIES

A. **Against our Group Entities:** NIL
B. **By our Group Entities:** NIL

IV. LITIGATIONS RELATING TO THE SUBSIDIARY COMPANY

A. **Against Directors of our Subsidiary Company:** NIL
B. **By Directors of our Subsidiary Company:** NIL

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

MATERIAL DEVELOPMENTS OCCURING SINCE MARCH 31, 2022

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "Material Developments" on page 182 of this Draft Letter of Offer.

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MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2022, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The Board of Directors of our Company has, at its meeting held on May 28, 2022, approved the audited financial statements for the year ended March 31, 2022 and the shareholders of the Company have, at annual general meeting of the Company held on [●], adopted the audited financial statements for the year ended March 31, 2022.

2. The Board of Directors of our Company has approved to raise funds through Rights Issue in the board meeting held on April 27, 2022.

3. The Board of Directors of our Company has, at its meeting held on April 27, 2022, approved the constitution of Fund Raising Committee.

4. The Fund Raising Committee of our Company has, at its meeting held on [●], approved Right Issue Size of ₹[●] Lakhs, to issue [●] as rights issue at a price of ₹[●] /- per equity share in the ratio [●] i.e. (in Words) held by the eligible shareholders as on the Record Date, [●].

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GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" at page 39 of this Draft Letter of Offer.

As on the date of this Draft Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on April 27, 2022.

2. The Fund Raising Committee has, at its meeting held on [●], determined the Issue Price as ₹[●] /- per Rights Equity Share (including a premium of ₹[●] /- per Rights Equity Share), and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Shares held on the Record Date.

3. This Letter of Offer has been approved by Fund Raising Committee in its meeting dated July 14, 2022.

4. Our Company has received in-principle approval from BSE pursuant to Regulation 28 of SEBI (LODR) Regulations, vide its letter dated [●] respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make applications to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circular.

5. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN [●] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see "Terms of the Issue" on page 192 of this Letter of Offer.

PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

PROHIBITION BY RBI

Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulters or a Fraudulent Borrowers

CONFIRMATION UNDER THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

As on the date of this Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("SBO Rules"), to the extent applicable.

ELIGIBILITY FOR THIS ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI (ICDR) Regulations and other applicable provisions of the SEBI (ICDR) Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI. Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI (ICDR) Regulations, to the extent applicable. Our Company has made application to the Stock Exchange and has received their in-principal approval for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1) Our Company has been filing periodic reports, statements and information in compliance with the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with BSE
2) The reports, statements and information referred to above in clause (1) are available on the website of BSE
3) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board of directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI and accordingly the Disclaimer Clause of SEBI will be updated in the Letter of Offer.

DISCLAIMER CLAUSE FROM COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, and its directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company, and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares

CAUTION

Our Company shall make all the relevant information available to the Eligible Equity Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.
No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock exchange for the purpose this issue will be BSE.

DISCLAIMER CLAUSE OF THE BSE

As required, a copy of this Draft Letter of Offer shall be submitted to the BSE. The Disclaimer Clause as intimated by the BSE us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with SEBI, BSE, and RoC.

FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require our company to file Draft Letter of Offer with SEBI. The Company has filed Draft Letter of Offer with the Stock Exchanges for obtaining in-principle approval.

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form (collectively "Issue Materials) and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided an Indian address and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Issue Materials or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in the Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, or its respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF ITS RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA AND IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT

LETTER OF OFFER, THE LETTER OF OFFER, AND ABRIDGED LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES OR RIGHTS. ACCORDINGLY, THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, ENTITLEMENT LETTER, AND APPLICATION FORM SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, the Letter of Offer. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company is not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States. The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., KFIN Technologies Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please see "Terms of the Issue" on page 192 of this Draft Letter of Offer.

Investor Grievances arising out of this Issue

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Ms. Sapna Tehanguriya **Address:** Office No. 203,2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai - 400104 India. **Tel:** +91766-931-8144; **Fax:** N.A. **E-mail:** CS.GGeng@gmail.com. **Website**: www.ggengg.in	**KFIN Technologies Limited** **SEBI Registration No.:** INR000000221 **Address**: Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 **Tel No:** +91 40 6716 2222 ; **Fax No:** + 91 40 2343 1551 **Email:**murali.m@kfintech.com; **Website:**www.kfintech.com **Contact Person:** Mr. Murali Krishna

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are www.kfintech.com and 91 40 6716 2222.

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SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA facility.For guidance on the application process through ASBA facility and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the Registrar at www.kfintech.com

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

i. our Company website at www.ggengg.in
ii. the Registrar website at www.kfintech.com
iii. Stock Exchanges website at https://www.bseindia.com/; and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.kfintech.com*)*.

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.
The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

- the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "- Grounds for Technical Rejection" below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* below.

1. Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or renounce its Rights Entitlements in full.

2. Making of an Application through the ASBA process

Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- Do not send your physical Application to the the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- Do not submit Application Form using third party ASBA account.

3. Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBAprocess

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being G G Engineering Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for within the Rights Entitlements;
- Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] /- per Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of ourresidence.
I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold,

pledged or otherwise transferred except in an offshore transaction in compliance with Regulations, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.
I/ We acknowledge that the Company, Our affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."
In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.kfintech.com

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date

4. Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

c) The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*"mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- *Basis of Allotment*" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application:

1. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
2. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
3. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* mentioned above.
4. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
5. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), ourCompany or the Registrar.
6. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials

appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

7. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
8. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
9. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
10. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
11. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
12. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the

Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

13. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
14. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
15. Do not submit the GIR number instead of the PAN as the application is liable to berejected on this ground.
16. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
17. Do not pay the Application Money in cash, by money order, pay order or postal order.
18. Do not submit multiple Applications.
19. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
20. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

5. Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
3. Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
4. Insufficient funds are available in the ASBA Account with the SCSB for blocking theApplication Money.
5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
6. Account holder not signing the Application or declaration mentioned therein.
7. Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
8. Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
9. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
11. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

12. Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Draft Letter of Offer.
13. Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
14. If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.
17. Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

(a) Payment from third party bank accounts.

***B)* Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "*Procedure for Applications by Mutual Funds*" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

C) **Procedure for Applications by certain categories of Shareholders**

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2022, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).
If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, until 5.00 p.m. (Indian StandardTime) or such extended time as permitted by the Stock Exchanges

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

a) Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.ggengg.in)

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●] The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

1. Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee (s) as well.

2. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA

Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

3. Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will besettled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after theIssue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

i. On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights

Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

ii. Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.'

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.

• ***Fractional Entitlements***

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●]

([●] Equity Share for every [●] Equity Share) held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.

• ***Ranking***

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer ,the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

• ***Listing and trading of the Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540614) under the ISIN: INE694X01022. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of the Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "Capital Structure - Intention and extent of participation by our Promoter" mentioned above.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to receive surplus on liquidation;
3. The right to receive offers for rights shares and be allotted bonus shares, if announced;
4. The right to free transferability of Equity Shares;
5. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
6. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

1) Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

2) Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

3) Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

4) Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

5) Notices

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effortbasis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper, being the regional language of Mumbai, Maharashtra, where our Registered Office is situated.
This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

6) Offer to Non-Resident Eligible Equity Shareholders/Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.kfintech.com It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying onsuch approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at www.kfintech.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

Please note that the equity shares applied for in this issue can be allotted only in dematerialized form and to the same depository account in which our equity shares are held by such shareholders on the record date. For details, see "allotment advice or refund/ unblocking of ASBA accounts" as mentioned above.

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ONOR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]

DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing *Date.*
Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●]

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

- Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and willnot be a preferential allotment.

- Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; anD
(c) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- **Unblocking amounts blocked using ASBA facility.**

- **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

- **Direct Credit –** Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

- **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders's bank receiving the credit would be borne by the Shareholders.

- For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand s drawn in favour of the sole/first Shareholders and payable at par.

- Credit of refunds to Shareholders in any other electronic manner, permissible by SEBIfrom time to time.
- Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

- **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated [●] with NSDL and an agreement dated [●] with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Sharesin the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a- vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depositoryaccount.
- Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least R.s. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than R.s. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to R.s.0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- All monies received out of this Issue shall be transferred to a separate bank account;
- Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

- All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

- The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

- Adequate arrangements shall be made to collect all ASBA Applications.

- Our Company shall comply with such disclosure and accounting norms specified by SEBI from time totime.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

- All enquiries in connection with this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "G G Engineering Limited – Rights Issue" on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

KFIN Technologies Limited
SEBI Registration No.: INR000000221
Address: Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032
Tel No: +91 40 6716 2222; **Fax No:** + 91 40 2343 1551
Email: murali.m@kfintech.com ; **Website:** www.kfintech.com
Contact Person: Mr. Murali Krishna

- In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar https://www.kfintech.com/.Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 40 6716 2222.

- The Shareholders can visit following links for the below-mentioned purposes:
  - Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.kfintech.com
  - Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.kfintech.com
  - Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.kfintech.com
  - Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.kfintech.com

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the Non Resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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SECTION IX − OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

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MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at www.ggengg.in from the date of this Draft Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS

1. Registrar Agreement dated [●] between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue.
3. Tripartite Agreement between our Company, NSDL and the Registrar to the Company.
4. Tripartite Agreement between our Company, CDSL and the Registrar to the Company

MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated April 27, 2022 in relation to the Issue and other related matters.
3. Copies of Annual Reports of our Company for the Financial Year ending March 31, 2022, March 31, 2021, March 31, 2020, March 31, 2019, March 31, 2018.
4. Copy of the Resolution of Fund Raising Committee dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
5. Resolution of our Fund Raising Committee dated July 13, 2022, approving the Draft Letter of Offer.
6. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer to act in their respective capacities.
7. Statement of Tax Benefits dated July 11, 2022 for our Company from the Statutory Auditors of our Company.
8. Audit Report for financial year ending on March 31, 2021 and March 31, 2022.
9. In-principle approval issued by BSE dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION X - DECLARATION

We, hereby declares that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Draft Letter of Offer are true and correct.

Signed by the Directors of our Company				
S.N.	**Name**	**Category**	**Designation**	**Signature**
1.	Kamal Beriwal	Non-Executive	Director	sd/-
2.	Deepak Kumar Gupta	Executive	Whole Time Director	sd/-
3.	Atul	Executive	Whole Time Director	sd/-
4.	Nitin Bansal	Non-Executive	Independent Director	sd/-
5.	Poonam Dhingra	Non-Executive	Independent Director	sd/-
6.	Om Prakash Aggarwal	Non-Executive	Independent Director	sd/-
Signed by the Chief Financial Officer and Company Secretary of our Company				
7.	Sapna Tehanguriya	Whole-Time	Company Secretary	sd/-
8.	Uttam Kumar	Whole-Time	Chief Financial Officer	sd/-

Place: Mumbai
Date: July 14, 2022