

# GI ENGINEERING SOLUTIONS LIMITED

Regd. Office: 73A, SDF-III, SEEPZ, Andheri (East), Mumbai-400 096

Tel No: 022-44884488, Fax No: 022-28290603

CIN: L40109MH2006PLC163731

Website: [www.giesl.com](http://www.giesl.com); E-mail ID: investors@giesl.com

August 30, 2019

<b>BSE Limited</b> Corporate Relationship Department P.J. Towers, Dalal Street, Fort, Mumbai - 400 001	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
<b>Scrip Code : 533048</b>	<b>Symbol : GISOLUTION</b>

Dear Sir,

**Sub: Submission of Annual Report for financial year 2018-19 along with the Notice of 13<sup>th</sup> Annual General Meeting (AGM) of the Company under Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

In terms of provision of Regulation 34 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Please find enclosed the 13<sup>th</sup> Annual Report for the financial year 2018-19 along with the Notice of 13<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 26, 2019 at 3:30 p.m. at Kohinoor Continental, Andheri-Kurla Road, Andheri-East, Mumbai - 400 059.

The above is also uploaded on the website of the Company [www.giesl.com](http://www.giesl.com)

You are requested to take the same on record.

Thanking You.


Yours faithfully,

For GI Engineering Solutions Limited



**Sunil Patel**  
Company Secretary &  
Compliance Officer





# GI Engineering Solutions Limited

ANNUAL  
REPORT | **2018-19**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Sajid Malik	Managing Director
Mrs. Saroja Malik	Director
Mr. Ganapathy Vishwanathan	Independent Director
Mr. Ganesh Acharya	Independent Director

### SUBSIDIARY

Genesys Enterprises Inc., USA  
777 Westchester Ave,  
Suite 101, White Plains,  
NY 10604 USA

### COMPANY SECRETARY

Mr. Sunil Patel (w.e.f. 01.08.2018)

### BANKERS

State Bank of India  
HDFC Bank Ltd.

### AUDITORS

M/s. Sachin Phadke & Associates,  
Chartered Accountants

### REGISTERED OFFICE

73-A, SDF-III  
SEEPZ, Andheri (East)  
Mumbai 400 096  
Telephone: 91-22-4488 4488  
Fascimile: 91-22-2829 0603  
Web site: [www.giesl.com](http://www.giesl.com)  
Email: [investors@giesl.com](mailto:investors@giesl.com)  
CIN No.: L40109MH2006PLC163731

### REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building, Opp.  
Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai-400059.  
Telephone: +91-22-6263 8200  
Fax: +91-22-6263 8299  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

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# GI ENGINEERING SOLUTIONS LIMITED

## NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of GI Engineering Solutions Limited will be held on Thursday, September 26, 2019 at 3.30 p.m. at Kohinoor Continental, Andheri – Kurla Road, Andheri (East), Mumbai-400 059, Maharashtra to transact the following business:

### ORDINARY BUSINESS:

**1. Adoption of Accounts, Report of the Auditors and Directors thereon:**

- To receive, consider and adopt the audited standalone financial statements of the Company as at March 31, 2019 and the Reports of the Auditors and Board of Directors thereon.
- To receive, consider and adopt the audited consolidated financial statements of the Company as at March 31, 2019 and the Reports of the Auditors thereon.

**2. Re-appointment of Directors retiring by rotation:**

To appoint a director in place of Mrs. Saroja Malik, who retires by rotation and, being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

**3. Re-appointment of Mr. Ganapathy Vishwanathan (DIN: 00400518) as Independent Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), Mr. Ganapathy Vishwanathan (DIN: 00400518), who was appointed as an Independent Director and who holds office of Independent Director up to September 28, 2019 and being eligible has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from September 29, 2019 to September 28, 2024.”

**4. Re-appointment of Mr. Ganesh Acharya (DIN: 00702346) as Independent Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), Mr. Ganesh Acharya (DIN: 00702346), who was appointed as an Independent Director and who holds office of Independent Director up to September 28, 2019 and being eligible has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from September 29, 2019 to September 28, 2024.”

By Order of the Board of Directors  
For **GI Engineering Solutions Limited**

**Registered Office:**

73A, SDF-III, SEEPZ,  
Andheri (E), Mumbai - 400 096  
Place: Mumbai  
Dated: August 26, 2019

**Sunil Patel**  
**Company Secretary &**  
**Compliance officer**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The instrument appointing a proxy, duly completed, must be deposited with the Company at its Registered Office not less than 48 hours before the time of commencement of the Meeting. A proxy form is enclosed herewith.
4. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Annual Report.
6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
8. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive) for the purpose of Annual General Meeting.
10. The members are requested to:
  - a) Intimate changes in their registered address, if any, to the Registrars, in respect of their holdings in physical form.
  - b) Notify immediately, any change in their registered address or Bank mandate, to their Depository Participants and not to the Company or Registrars, in respect of their holdings in electronic form.
11. Non-Resident Indian Shareholders are requested to inform the Company immediately:
  - a) Any change in residential status on return to India for permanent settlement.
  - b) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
12. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making nominations may procure the prescribed Form SH-13 from the Registrar and Transfer Agent of the Company. Members holding shares in electronic form may contact their respective depository participants for availing the said facility.
13. Disclosure pursuant to sub-regulation (3) of Regulation 36 of the SEBI (LODR) Regulations, 2015 with respect to the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting is forming part of this Notice.
14. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in

physical form should submit their PAN to the RTA of the Company/Company.

16. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your E-mail Address with your Depository Participant to enable us to communicate with you via E-mail.
17. Copies of the Annual Report 2018-19 are being sent by electronic mode to all the members whose E-mail Addresses are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their E-mail Addresses, physical copies of the Annual Report 2018-19 are being sent by the permitted mode.
18. The Government took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its members through electronic mode. Accordingly, the Notice of the Thirteenth Annual General Meeting and instructions for E-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all the members who's E-mail Addresses are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their E-mail Addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
19. Members may also note that the Notice of the Thirteenth Annual General Meeting and the Annual Report 2018-19 will be available on the Company's website [www.giesl.com](http://www.giesl.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [investors@giesl.com](mailto:investors@giesl.com).
20. Members desiring any information relating to Annual Accounts of the Company for the year ended March 31, 2019 are requested to write to the Company at least 5 days before the date of Annual General Meeting, so as to enable the management to keep information ready.
21. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

## 22. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub-regulation (1) of Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 13<sup>th</sup> Annual General Meeting (AGM) by Remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of the annual general meeting. Remote e-voting facility will be provided by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

- A. The shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date viz. Thursday, September 19, 2019 may cast their vote electronically.
- B. A shareholder can opt for only one mode of voting i.e. remote e-voting or voting through ballot or voting at venue of AGM. In case a shareholder votes through remote e-voting as well as sends his/ her vote through ballot form, the vote cast through remote e-voting shall be considered and the voting through physical ballot shall not be considered by the scrutinizer.
- C. The shareholders who have cast their votes either through remote e-voting or ballot shall be entitled to attend the meeting, however, shall not be allowed to cast their vote again at the venue of the annual general meeting.
- D. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
- E. The Company has appointed DSM & Associates, Practicing Company Secretaries (CP No. 9394), as the scrutinizer for conducting the e-voting process in a fair and transparent manner.
- F. The Scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast

at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 (Three) days after the conclusion of the Annual General Meeting to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- G. The result of voting will also be placed at the website of the Company viz. [www.giesl.com](http://www.giesl.com) and also on [www.cdslindia.com](http://www.cdslindia.com).
- H. The scrutinizer's decision on the validity of all kinds of voting will be final.

### Instructions for Remote E-Voting

- I. The remote e-voting period will commence at 9.00 a.m. on Monday, September 23, 2019 and will end at 5.00 p.m. on Wednesday, September 25, 2019. During this period the eligible Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at meeting.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Click on Shareholders.
- V. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below:

PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter your bank details or Date of Birth in dd/mm/yyyy format as recorded with your depository participant in case of electronic shares or with the company in respect of physical shares in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned above.</li> </ul>
	<p>IX. After entering these details appropriately, click on "SUBMIT" tab.</p> <p>X. Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password fitor. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with</p>



any other person and take utmost care to keep your password confidential.

- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Now select the Electronic Voting Sequence Number (EVSN) of "GI Engineering Solutions Limited" on which you choose to vote.
- XIII. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the resolution and option "NO" implies that you dissent to the resolution.
- XIV. Click on the "Resolutions File Link" if you wish to view the entire resolutions.
- XV. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVI. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- XVIII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. ADDITIONAL INSTRUCTIONS FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**
  - a. Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under "Help" section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## INSTRUCTIONS FOR VOTING THROUGH BALLOT

The Company is providing the facility of ballot form to those shareholders, who do not have access to remote voting in respect of the resolutions as set out in this notice. The ballot form with instructions is enclosed along with the Annual Report. The last date for receiving the ballot form will be Wednesday, September 25, 2019 on or before 5.00 p.m. Ballot forms received after this date shall not be considered.

A shareholder may download duplicate ballot form from the website of the Company forming part of Annual Report.

Detailed instructions for voting are provided in the ballot form.

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM through poll papers.

A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes by all the three modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid

## Explanatory statement pursuant to Sections 102 of the Companies Act, 2013

**The following Explanatory Statement sets out all material facts relating to Resolution No. 3 and 4 of the notice:**

### Item no. 3 and 4:

As per provisions of Section 149, 152, Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and erstwhile clause 49 of the Listing Agreement with the Stock Exchanges, the Company had appointed Mr. Ganapathy Vishwanathan (DIN: 00400518) and Mr. Ganesh Acharya (DIN: 00702346) as Independent Directors on the Board of the Company for a period

of five years w.e.f. September 29, 2014. They hold office as Independent Directors of the Company upto September 28, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act) and are eligible for re-appointment for another term under the applicable provisions of Companies Act, 2013 read with applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Nomination and Remuneration Committee of the Board of Directors, based on the performance evaluation has recommended re-appointment of Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya as Independent Directors for a second term of five consecutive years effective from September 29, 2019. Hence, The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, the continued association of Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya would be beneficial to the Company.

Requisite notice under section 160 of the Act, proposing the re-appointment of Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya as Independent Directors has been received by the Company.

Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declaration from Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

The details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 3 and 4 forms part of this Notice.

Copies of draft letters of appointment of Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya setting out the terms and conditions of appointment are available for inspection by the members at the head office/ registered office as well as Corporate Office of the Company.

Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya are interested in the resolutions set out respectively at Item Nos. 3 and 4 of the Notice with regard to their respective re-appointments. The relatives of Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out in the Item Nos. 3 and 4 of the accompanying Notice for the approval by the Members of the Company.

By Order of the Board of Directors  
For **GI Engineering Solutions Limited**

**Sunil Patel**  
**Company Secretary &**  
**Compliance Officer**

Registered Office:  
73A, SDF-III, SEEPZ,  
Andheri (E), Mumbai - 400 096  
Place: Mumbai  
Dated: August 26, 2019

# GI ENGINEERING SOLUTIONS LIMITED

## PROFILE OF DIRECTORS BEING APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed or re-appointed are given below:

<b>Name of the Director</b>	<b>Mrs. Saroja Malik</b>	<b>Mr. Ganesh Acharya</b>	<b>Mr. Ganapathy Vishwanathan</b>
<b>Nature of Resolution</b>	Re-appointment as Director (Retire by rotation)	Re-appointment as Independent Director	Re-appointment as Independent Director
<b>Date of Birth</b>	September 28, 1937	March 14, 1965	March 27, 1964
<b>Date of appointment</b>	August 10, 2006	March 27, 2002	March 27, 2001
<b>Director Identification Number</b>	00400421	00702346	00400518
<b>Qualifications</b>	B.Com., LL.B.	Bachelor of Commerce (Hon.)	B.com, ACA, Grad CWA, CS
<b>Expertise in specific functional areas</b>	Legal Compliance, Income Tax, Custom Regulations, Office Administration and Allied Matters.	International Business and Corporate Management	Corporate Finance & Investment Banking, Financial Accounting & Taxation, Company Law & FEMA & advising corporates on Business Strategy and enhancement of shareholder value.
<b>Other Companies in which he/she is Director excluding Directorship in Private and companies under Section 8 of the Companies Act , 2013</b>	<ol style="list-style-type: none"> <li>Genesys International Corporation Limited</li> <li>Ventura Guaranty Limited</li> </ol>	<ol style="list-style-type: none"> <li>Ventura Guaranty Limited</li> <li>Genesys International Corporation Limited</li> <li>Genesys Virtual World Limited</li> </ol>	<ol style="list-style-type: none"> <li>Genesys International Corporation Limited</li> <li>Ventura Commodities Limited</li> <li>Ventura Securities Limited</li> </ol>
<b>Chairman / Member of Committees of the GI Engineering Solutions Limited</b>	<b>Member:-</b> Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee	<b>Member:-</b> Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee	<b>Chairman:-</b> Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee

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<b>Chairman / Member of Committees of Other Companies</b>	<b>Genesys International Corporation Ltd</b> <b>Member:</b> Stakeholders Relationship Committee, Corporate Social Responsibility Committee	<b>Genesys International Corporation Limited</b> <b>Member:-</b> Audit Committee & Nomination and Remuneration Committee	<b>Genesys International Corporation Limited</b> <b>Chairman:-</b> Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee  <b>Member:-</b> CSR Committee, Compensation Committee, Executive Committee
		<b>Ventura Guaranty Limited</b> <b>Chairman:-</b> Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee	
<b>Number of Equity Shares held in the Company</b>	16,91,716	12,493	293
<b>Details of remuneration last drawn during the FY 2018 – 19</b>	Nil	Nil	Nil
<b>Relationship between Directors</b>	Mrs. Saroja Malik is mother of Mr. Sajid Malik.	Not related to any other Director Manager and Key Managerial Personnel.	Not related to any other Director, Manager and Key Managerial Personnel.

# GI ENGINEERING SOLUTIONS LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Thirteenth Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2019.

### 1. FINANCIAL RESULTS

Summary of the Standalone performance of your Company for the year under review is tabulated below:

(₹ In Lakhs)

Particulars	Standalone	
	March 31, 2019	March 31, 2018
Income	5.28	2.28
Operating Profit/ (Loss) before Depreciation, Interest and Taxes	(7.88)	(8.55)
Profit/(Loss) before tax	(7.88)	(8.55)
Less: Current Tax	-	-
Profit (Loss) After Tax	(7.88)	(8.55)

### 2. DIVIDEND

Due to loss incurred during the year, your directors regret their inability to recommend any dividend for the year ended March 31, 2019.

### 3. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹ 8,61,18,780/- divided into 86,11,878 equity shares of ₹ 10/- each. During the year under review, the Company has not issued any Shares.

### 4. OPERATIONS

During the year under review, on standalone basis your Company achieved a total income of ₹ 5.28 lakhs as compared to ₹ 2.28 lakhs in the previous financial year. The Company incurred loss after tax of ₹ 7.88 lakhs for the year compared to the loss after tax of ₹ 8.55 lakhs for the previous year.

Management is evaluating various propositions to improve the financial situation and is hopeful of arriving at some conclusion soon.

### 5. DEPOSITS

Your Company has neither invited nor accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments are given in the notes to the financial statements.

### 7. SUBSIDIARY COMPANY

The Foreign subsidiary i.e Genesys Enterprises Inc., USA has been dissolved based on the certificate of dissolution received from New York State Department of State, New York during February 2019. Necessary documents have been filed with RBI through the authorized dealer. In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company.

The Company shall make available, the audited financial statements and related information of its subsidiaries, to those members who wish to have copies of the same and these documents will also be kept open for inspection by members at the registered office of the Company during working hours upto the date of the Annual General Meeting.

As per the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the financial statements of

the subsidiary and associate company in Form AOC-1 is annexed as “**ANNEXURE - A**” and forms an integral part of this Report.

## 8. **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract Annual Return in Form MGT-9 is annexed herewith as “**ANNEXURE - B**” and forms an integral part of this Report.

## 9. **CONSOLIDATED FINANCIAL STATEMENTS**

In compliance with the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Consolidated financial statements of the Company and its subsidiary has been prepared as per the applicable accounting standards specified in Section 133 of the Companies Act, 2013 and issued by Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors Report form part of the Annual Report.

## 10. **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis of the financial conditions, future outlook and results of the operations of the Company for the year under the review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations 2015 is given under separate section of this Annual Report and forms part of the Directors’ Report.

## 11. **CORPORATE GOVERNANCE**

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply to listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year. Therefore, the provisions of Corporate Governance as specified in regulaons 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulation, 2015 are not applicable to the Company for the financial year ended March 31, 2019.

However your Company has complied with the relevant provision of the Companies Act, 2013 and rules thereunder with regards to formation of committees.

## 12. **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has Whistleblower Policy and Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The Whistleblower Policy and Vigil Mechanism is uploaded on the website of the Company. ([www.giesl.com](http://www.giesl.com)).

## 13. **DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **DIRECTORS**

#### **Retirement by rotation**

Mrs. Saroja Malik, Director of the Company retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 brief resume of Mrs. Saroja Malik, nature of her expertise in specific functional area and names of Companies in which she is a Director and Member/Chairman of Committees of Board, are provided in the Notice forming part of the Annual Report.

#### **Appointment/ Re-appointment of Directors**

Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya were appointed as Independent Directors by shareholders at their Eighth AGM for the term of five years w.e.f. September 29, 2014 upto September 28, 2019. The Company has received declarations from Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya of the Company, confirming that they meet the criteria of Independence as prescribed under the section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015 and therefore, being proposed to be re-appointed as Independent Directors and not liable to retire by rotation for a second term of five years from the date of ensuing AGM in terms of section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, at the ensuing Annual General Meeting of the Company. Details relating to their appointment are mentioned in the statement annexed to the Notice under section 102 of the Companies Act,

2013. Details relating to the appointment / re-appointment are mentioned in the statement annexed to the Notice under section 102 of the Companies Act, 2013.

#### **Appointment of Company Secretary**

Mr. Sunil Patel was appointed as the Company Secretary and Compliance officer and was designated as the Key Managerial Personnel of the Company with effect from August 01, 2018.

#### **Appointment of Chief Financial Officer**

Mr. Ravi .T. Ramasamy was appointed as the Chief Financial officer and was designated as the Key Managerial Personnel of the Company with effect from April 24, 2019.

#### **14. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, the Board has carried out the annual evaluation of its own performance, and each of the directors individually as well as of the working of its Committees.

#### **15. AUDITORS**

##### **a) STATUTORY AUDITORS**

Sachin Phadke & Associates, Chartered Accountants, Mumbai (Firm Registration No. 133898W), Statutory Auditors of the Company hold office, in accordance with the provisions of the Act, from the conclusion of the 11th Annual General Meeting until the conclusion of 16th Annual General Meeting.

The Ministry of Corporate Affairs has vide notification dated May 7, 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditor during their tenure of five (5) years.

The Company has received written consent and certificate of eligibility from the Statutory Auditors of the Company under Section 139(1) of the Act and rules framed thereunder.

##### **b) AUDITORS' REPORT**

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the financial year ended March 31, 2019.

##### **c) INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY**

The Company has in place an Internal Control System commensurate with the size and scale of its operations. The Internal Control System provides reasonable assurance with regard to recording and providing reliable information, compliance with applicable laws, rules and regulations.

The Audit Committee reviews audit reports submitted by the Internal Auditors on a regular basis.

##### **d) SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, M/s. Roy Jacob & Co., Practicing Company Secretaries (CP No. 8220), have been appointed to undertake the Secretarial Audit of the Company for the financial year ended on March 31, 2019. The Secretarial Audit Report forms part of this annual report as "ANNEXURE - C".

#### **16. PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is been annexed to this report as "ANNEXURE - D".

There were no employees during the year under review drawing remuneration in excess of the limits prescribed and the statement of employees required under Rule 5(2) read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company continues to endeavor to reduce energy consumption. The company has not carried out any research and development activity or has imported any technology for its operations. There were no foreign exchange earning or outgo during the year under review. Therefore, details of the same are not annexed to this report.

## 18. MEETINGS

### A. BOARD MEETINGS

The Meeting of the Board of Directors are scheduled well in advance and generally held at the Registered office of the Company. The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. During the financial year ended on March 31, 2019, Six Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

1. May 30, 2018
2. August 01, 2018
3. August 14, 2018
4. November 14, 2018
5. February 14, 2019
6. March 29, 2019

The number of Board Meetings and the attendance of Directors as well as their attendance at the last AGM held on September 27, 2018 are as mentioned below :-

Name of Directors	Designation	No. of Board Meetings attended out of six Meetings held	Attendance at last AGM
Mr. Sajid Malik	Managing Director	6	Yes
Mrs. Saroja Malik	Non-Executive Director	6	Yes
Mr. Ganapathy Vishwanathan	Non-Executive Independent Director	6	Yes
Mr. Ganesh Acharya	Non-Executive Independent Director	6	Yes

### B. DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS:

#### I. AUDIT COMMITTEE

The Company has constituted a well qualified and independent Audit Committee as required under Section 177 of the Companies Act, 2013 as also in fulfillment of the requirements of Regulations 18 of the SEBI (LODR) Regulations, 2015. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

During the year under review, four Audit Committee Meetings were held and the time gap between any two meetings was not more than four months. The dates on which the Audit Committee Meetings were held are as follows:

1. May 30, 2018
2. August 14, 2018
3. November 14, 2018
4. February 14, 2019

The composition of the Audit Committee and details of meetings attended by the members thereof in 2018-19 were as follows:

Name of Directors	Status	No. of Meetings Attended
Mr. Ganapathy Vishwanathan	Chairman	4
Mrs. Saroja Malik	Member	4
Mr. Ganesh Acharya	Member	4

The Chairman of the Audit Committee Mr. Ganapathy Vishwanathan, was present at the Twelfth Annual General Meeting of the Company held on September 27, 2018.



## II. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee is entrusted with the responsibility of redressal of all the shareholders'/ investors' grievances related to transfer of shares, non-receipt of annual reports, dematerialization or re-materialization of shares etc. The committee also oversees the performance of the Registrar and Transfer Agent of the Company.

To redress investor grievances, the Company has a dedicated E-mail ID, [investors@giesl.com](mailto:investors@giesl.com) to which shareholders may send complaints/ grievances.

During the financial year 2018-19, four meetings of the said committee were held on May 30, 2018; August 14, 2018; November 14, 2018 and February 14, 2019.

The composition of the Stakeholders' Relationship Committee and details of meetings attended by the members thereof in 2018-19 were as follows:

Name of Directors	Status	No. of Meetings Attended
Mr. Ganapathy Vishwanathan	Chairman	4
Mrs. Saroja Malik	Member	4
Mr. Ganesh Acharya	Member	4

The Chairman of the Stakeholders' Relationship Committee Mr. Ganapathy Vishwanathan, was present at the Twelfth Annual General Meeting of the Company held on September 27, 2018.

## III. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of three members

namely Mr. Ganapathy Vishwanathan, as the Chairman and Mr. Ganesh Acharya and Mrs. Saroja Malik as members of the Committee. The Committee comprises of majority of Independent Directors including its Chairman.

During the year under review, one meeting held on August 01, 2018.

The Chairman of the Nomination & Remuneration Mr. Ganapathy Vishwanathan, was present at the Twelfth Annual General Meeting of the Company held on September 27, 2018.

## 19. NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Policy is also available on the Company's website at [www.giesl.com](http://www.giesl.com).

## 20. CORPORATE SOCIAL RESPONSIBILITY

Provisions of Section 135 of the Companies Act, 2013, read with applicable Rules, not applicable during the year under review.

## 21. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## 22. SEXUAL HARASSMENT

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 23. RISK MANAGEMENT

Risks are events, situations or circumstances which may negatively impact the Company's Business. Risk management is a structured approach to manage uncertainty. The Company is adopting a formal approach to identify and evaluate business risks.

**24. SIGNIFICANT & MATERIAL ORDERS PASSED BY REGULATORS/COURTS, IF ANY**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of your Company and its future operations.

**25. MATERIAL CHANGES & COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company occurred between the date of Financial Statements and Boards Report.

**26. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered in the ordinary course of business during the financial year were on an arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company during the financial year 2018-19.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The disclosure on Related Party Transactions is made in the Financial Statement of the Company.

**27. LOAN FROM DIRECTOR**

During the year under review the Company received unsecured loans of ₹ 5.00 lakhs from Mr. Sajid Malik, Managing Director of the Company. Further he has given declaration in writing to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others.

**28. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (5) of the Companies Act 2013, with respect to Directors' Responsibility Statement, your directors hereby confirm that;

- a) In the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards

had been followed along with proper explanation relating to their material departures, wherever applicable;

- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) The directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

**29. ACKNOWLEDGEMENT**

Your Company and its Directors wish to place on record their sincere thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives at all levels for their continuous cooperation and assistance.

**For and on Behalf of the Board of Directors**

**SAJID MALIK**  
**MANAGING DIRECTOR**  
**(DIN: 00400366)**

**SAROJA MALIK**  
**DIRECTOR**  
**(DIN: 00400421)**

Place: Mumbai  
 Date: May 22, 2019

# GI ENGINEERING SOLUTIONS LIMITED

## 'ANNEXURE - A' TO THE DIRECTORS' REPORT

### Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(₹ In Lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Genesys Enterprises Inc., USA
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company (April to March)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	As on 31.03.2019 USD 1\$ = ₹ 69.93
4.	Share capital	2682.34
5.	Reserves & surplus	(2680.63)
6.	Total assets	1.71
7.	Total Liabilities	1.71
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	Nil.*

1. Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year.

\*The Foreign subsidiary i.e Genesys Enterprises Inc., USA has been dissolved based on the certificate of dissolution received from New York State Department of State, New York during February 2019. Necessary documents have been filed with RBI through the authorized dealer.

#### **Part "B": Associates and Joint Ventures**

#### **Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.**

There were no Associates and Joint Ventures as on March 31, 2019.

**For and on Behalf of the Board of Directors**

**SAJID MALIK**  
**MANAGING DIRECTOR**  
**(DIN: 00400366)**

**SAROJA MALIK**  
**DIRECTOR**  
**(DIN: 00400421)**

Place: Mumbai  
Date: May 22, 2019

**'ANNEXURE - B' TO THE DIRECTORS' REPORT****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L40109MH2006PLC163731
ii.	Registration Details	10.08.2006
iii.	Name of the Company	GI Engineering Solutions Limited
iv.	Category/ Sub-category of the Company	Company having Share Capital
v.	Address of the Registered office and contact details	73-A, SDF-III, SEEPZ, Andheri (East), Mumbai-400096
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059. Telephone : +91-22-6263 8200 Fax : +91-22-6263 8299 E-mail : <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :-

Sr No.	Name and Description of main products/ services	NIC Code of the product/service	% to total turnover of the Company
1.	Data processing activities including report writing	6311	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr No.	Name	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Genesys Enterprises Inc., USA.**	108, Corporate Park Drive, Suite 211, White Plains, New York 10604.	Foreign Company	Subsidiary Company	100.00	2(87)

\*\* Dissolved with effect from February 22, 2019

# GI ENGINEERING SOLUTIONS LIMITED

## IV. Shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	2010711	0	2010711	23.35	2010711	0	2010711	23.35	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>2010711</b>	<b>0</b>	<b>2010711</b>	<b>23.35</b>	<b>2010711</b>	<b>0</b>	<b>2010711</b>	<b>23.35</b>	<b>0.00</b>
<b>2. Foreign</b>									
a) NRIs - Individuals	1000	0	1000	0.01	1000	0	1000	0.01	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	1383466	0	1383466	16.06	1383466	0	1383466	16.06	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>1384466</b>	<b>0</b>	<b>1384466</b>	<b>16.08</b>	<b>1384466</b>	<b>0</b>	<b>1384466</b>	<b>16.08</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3395177</b>	<b>0</b>	<b>3395177</b>	<b>39.42</b>	<b>3395177</b>	<b>0</b>	<b>3395177</b>	<b>39.42</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	4050	4050	0.05	0	4050	4050	0.05	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00

# ANNUAL REPORT 2018-19

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>4050</b>	<b>4050</b>	<b>0.05</b>	<b>0</b>	<b>4050</b>	<b>4050</b>	<b>0.05</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	321529	3385	324914	3.77	287898	3385	291283	3.38	(0.39)
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	2216705	19172	2235877	25.96	2233594	18872	2252466	26.16	0.20
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1368993	0	1368993	15.90	1385393	0	1385393	16.08	0.18
c) Others (specify)									
Clearing Member	600	0	600	0.01	80	0	80	0.00	(0.01)
Independent Directors & their Relatives	12777	201	12978	0.15	12777	201	12978	0.15	0.00
Overseas Body Corporate	1100000	25	1100025	12.77	1100000	25	1100025	12.77	0.00
Trusts	96962	147	97109	1.13	96962	147	97109	1.13	0.00
Non Resident Indians	72155	0	72155	0.84	73317	0	73317	0.85	0.01
<b>Sub-Total (B)(2)</b>	<b>5189721</b>	<b>22930</b>	<b>5212651</b>	<b>60.53</b>	<b>5190021</b>	<b>22630</b>	<b>5212651</b>	<b>60.53</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>5189721</b>	<b>26980</b>	<b>5216701</b>	<b>60.58</b>	<b>5190021</b>	<b>26680</b>	<b>5216701</b>	<b>60.58</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

# GI ENGINEERING SOLUTIONS LIMITED

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>Grand Total (A+B+C)</b>	<b>8584898</b>	<b>26980</b>	<b>8611878</b>	<b>100.00</b>	<b>8585198</b>	<b>26680</b>	<b>8611878</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoter

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. Of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. Of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1.	Mr. Sajid Malik	318995	3.70	0.00	318995	3.70	0.00	0.00
2.	Mrs. Saroja Malik	1691016	19.63	0.00	1691016	19.63	0.00	0.00
3.	Mr. Sohel Malik	1000	0.01	0.00	1000	0.01	0.00	0.00
4.	Kilam Holdings Ltd	1378405	16.01	0.00	1378405	16.01	0.00	0.00
5.	Kadam Holding Ltd	5061	0.06	0.00	5061	0.06	0.00	0.00
6.	Mrs. Saroja Malik jointly with Mr. Sajid Malik	700	0.01	0.00	700	0.01	0.00	0.00
	<b>Total</b>	<b>3395177</b>	<b>39.42</b>	<b>0.00</b>	<b>3395177</b>	<b>39.42</b>	<b>0.00</b>	<b>0.00</b>

## iii. Change in Promoter's Shareholding (please specify, if there is no change)

There are no changes in promoter's shareholding.

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ transfer/bonus/sweat equity, etc.)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

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iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year /Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>Fortune Private Equity LLC</b>				
	At the beginning of the year	1100000	12.77	1100000	12.77
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>1100000</b>	<b>12.77</b>
<b>2.</b>	<b>Sushil Kumar Omprakash Agarwal</b>				
	At the beginning of the year	135000	1.57	135000	1.57
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>135000</b>	<b>1.57</b>
<b>3.</b>	<b>Genesys Technologies Employee Welfare Trust through its trustee Ganapathy Vishwanathan</b>				
	At the beginning of the year	96962	1.13	96962	1.13
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>96962</b>	<b>1.13</b>
<b>4.</b>	<b>Sasi Star Finance Pvt. Ltd.</b>				
	At the beginning of the year	87650	1.02	87650	1.02
	Date wise Increase/ Decrease in Share holding during the year:	NIL			
	<b>At the End of the year</b>			<b>87650</b>	<b>1.02</b>
<b>5.</b>	<b>Tushar K Mehta</b>				
	At the beginning of the year	66937	0.78	66937	0.78
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>66937</b>	<b>0.78</b>



# GI ENGINEERING SOLUTIONS LIMITED

Sr No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year /Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>6.</b>	<b>Rupan Mehta</b>				
	At the beginning of the year	65000	0.75	65000	0.75
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>65000</b>	<b>0.75</b>
<b>7.</b>	<b>Renu Sushil Agarwal</b>				
	At the beginning of the year	60000	0.70	60000	0.70
	Date wise Increase/ Decrease in Share holding during the year:	NIL			
	<b>At the End of the year</b>			<b>60000</b>	<b>0.70</b>
<b>8.</b>	<b>Anil Kumar Joshi</b>				
	At the beginning of the year	55707	0.65	55707	0.65
	Date wise Increase/ Decrease in Share holding during the year:	NIL			
	<b>At the End of the year</b>			<b>55707</b>	<b>0.65</b>
<b>9.</b>	<b>Kruti Capital Services Pvt Ltd.</b>				
	At the beginning of the year	50000	0.58	50000	0.58
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>50000</b>	<b>0.58</b>
<b>10.</b>	<b>Vaziuddin M Alvi</b>				
	At the beginning of the year	50000	0.58	50000	0.58
	Date wise Increase/ Decrease in Share holding during the year	NIL			
	<b>At the End of the year</b>			<b>50000</b>	<b>0.58</b>

## v. Shareholding of Directors and Key Managerial Personnel

Sr No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Mr. Sajid Malik - Managing Director</b>				
	At the beginning of the year	318995	3.70	318995	3.70
	Date wise increase / decrease in promoters share holding during the year specifying the reason for increase/decrease (e.g. Allotment /Transfer/ bonus/sweat equity etc.)	NIL			
	<b>At the End of the year</b>			<b>318995</b>	<b>3.70</b>
2.	<b>Mrs. Saroja Malik - Director</b>				
	At the beginning of the year	1691016	19.63	1691016	19.63
	Date wise increase / decrease in promoters share holding during the year specifying the reason for increase/decrease (e.g. Allotment /Transfer/ bonus/sweat equity etc.)	NIL			
	<b>At the End of the year</b>			<b>1691016</b>	<b>19.63</b>
3.	<b>Mrs. Saroja Malik – Director (holding jointly with Mr. Sajid Malik)</b>				
	At the beginning of the year	700	0.00	700	0.00
	Date wise increase / decrease in promoters share holding during the year specifying the reason for increase/decrease (e.g. Allotment /Transfer/ bonus/sweat equity etc.)	NIL			
	<b>At the End of the year</b>			<b>700</b>	<b>0.00</b>
4.	<b>Mr. Ganapathy Vishwanathan - Independent Director</b>				
	At the beginning of the year	293	0.00	293	0.00
	Date wise increase / decrease in promoters share holding during the year specifying the reason for increase/decrease (e.g. Allotment /Transfer/ bonus/sweat equity etc.)	NIL			
	<b>At the End of the year</b>			<b>293</b>	<b>0.00</b>
5.	<b>Mr. Ganesh Acharya - Independent Director</b>				
	At the beginning of the year	12493	0.15	12493	0.15
	Date wise increase / decrease in promoters share holding during the year specifying the reason for increase/decrease (e.g. Allotment /Transfer/ bonus/sweat equity etc.)	NIL			

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Sr No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the End of the year</b>			<b>12493</b>	<b>0.15</b>
<b>6.</b>	<b>Mr. Sunil Patel - Company Secretary</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in promoters share holding during the year specifying the reason for increase/ decrease (e.g. Allotment /Transfer/ bonus/sweat equity etc.)	NIL			
	<b>At the End of the year</b>			<b>0</b>	<b>0.00</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	5,00,000	-	5,00,000
* Reduction	-	-	-	-
<b>Net Change</b>		<b>5,00,000</b>		<b>5,00,000</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>5,00,000</b>	<b>NIL</b>	<b>5,00,000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr No.	Particulars of Remuneration	Mr. Sajid Malik Managing Director
1.	<b>Gross Salary</b>	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL
	b. Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL
	c. Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission	
	- as % of profit	NIL
	- others, specify	NIL
5.	Others, please specify	
	Total (A)	NIL
	Ceiling as per the Act	<b>5% of Net Profits</b>

### B. Remuneration to other Directors

Sr No.	Particulars of Remuneration	Name of Directors		Total Amount
1	<b>Independent Directors</b>	<b>Mr. Ganapathy Vishwanathan</b>	<b>Mr. Ganesh Acharya</b>	
	• Fee for attending Board/ Committee meetings	NIL	NIL	<b>NA</b>
	• Commission	NIL	NIL	<b>NA</b>
	• Others, please specify	NIL	NIL	<b>NA</b>
	<b>Total (1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
2	<b>Other Non-Executive Directors</b>	<b>Mrs. Saroja Malik</b>		
	• Fee for attending Board/ Committee meetings	NIL		<b>NA</b>
	• Commission	NIL		<b>NA</b>
	• Others, please specify	NIL		<b>NA</b>
	<b>Total (2)</b>	<b>NIL</b>		<b>NA</b>
	<b>Total (B)=(1+2)</b>	<b>NIL</b>		<b>NA</b>
	<b>Total Managerial Remuneration</b>	<b>NIL</b>		<b>NA</b>
	<b>Overall ceiling as per the Act</b>	<b>1% of Net Profit</b>		

# GI ENGINEERING SOLUTIONS LIMITED

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Sunil Patel Company Secretary*	Mr. Ravi T Ramaswamy Chief Financial Officer**	
1.	<b>Gross Salary</b>			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,21,276	NA	1,21,276
	b. Value of perquisites u/s 17(2) of Income-tax Act, 1961	0	NA	0
	c. Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961	0	NA	0
2.	Stock Option	0	NA	0
3.	Sweat Equity	0	NA	0
4.	Commission	0		0
	- as % of profit	0	NA	0
	- others, specify	0	NA	0
5.	Others, please specify	0	NA	0
	<b>Total (C)</b>	<b>1,21,276</b>	<b>NA</b>	<b>1,21,276</b>

\* Appointed w.e.f. August 01, 2018.

\*\* Appointed w.e.f. April 24, 2019.

## VII. Penalties / Punishment/ Compounding Of Offences:

Till date we have not deposited any penalties, punishment and compounding of offences under Companies Act, 2013

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER DIRECTORS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

## 'ANNEXURE - C' TO THE DIRECTORS' REPORT

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9  
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,

**GI Engineering Solutions Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices as defined in the current scenario / industry by **GI Engineering Solutions Limited having the CIN No. L40109MH2006PLC163731** (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinions thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder, except which are specifically mentioned therein and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder:-  
***Company has not appointed Chief Financial Officer in terms of Section 203(1) of the companies Act, till the closure of the financial year. However, on April 24, 2019, the Company appointed Chief Financial Officer.***
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: ***Not Applicable to the Company during the Audit Period;***
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014: ***Not Applicable to the Company during the Audit Period;***
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: ***Not Applicable to the Company during the Audit Period;***
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: ***Not Applicable to the Company during the Audit Period;***
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: ***Not Applicable to the Company during the Audit Period.***

# GI ENGINEERING SOLUTIONS LIMITED

- (VI) For the other applicable laws our audit is limited to
- The Information Technology Act, 2000
  - The Special Economic Zone Act, 2005
  - Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - Payment of Bonus Act, 1965
  - Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchanges Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Based on our such examination and further based on the Representation of the Management of the Company, the Company has during the period under review complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** as per the information & explanation given to us the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax and Goods and Services Tax and other statutory dues applicable to it.

**I further report that** I rely on statutory auditors reports in relation to the financial statements and accuracy of financial figures for Income Tax,

Wealth Tax, Goods and Services Tax, Provident Fund etc. as disclosed under the financial statements of the Company.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **I further report that:**

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for of opinion.
- Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of documents/ procedures on the test basis.
- The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Roy Jacob & Co.**,  
Company Secretaries

Place: Mumbai  
Date : May 22, 2019

**Roy Jacob**  
(Proprietor)  
FCS No.: 9017  
COP No.: 8220

## 'ANNEXURE - D' TO THE DIRECTORS' REPORT

### I. PARTICULARS OF EMPLOYEES PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### i. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19:

Name of Directors	Ratio of Remuneration of each Director to median remuneration of Employees
Sajid Malik, Managing Director	NA
Saroja Malik, Director	NA

Note : 1) During the year 2018-19, the Company has not paid any remuneration or sitting fees to the any Directors.

#### ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19:

Name of Directors	Remuneration for FY 2018-19 (₹ in Lacs)	% increase in Remuneration in FY 2018-19
Sajid Malik, Managing Director	-	-
Saroja Malik, Director	-	-
Mr. Sunil Patel* Company Secretary & Compliance Officer	1,21,276	NA

\*Percentage increase in remuneration not reported as position was held for part of the financial year 2018-19.

#### iii. The percentage increase in the median remuneration of the employees of the Company for the Financial Year 2018-19 - NA

#### iv. The number of permanent employees on the rolls of Company :

There were 1(one) permanent employees on the rolls of the Company as on March 31, 2019.

#### v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is not applicable and whereas there was no percentile increase/decrease in the managerial remuneration

#### vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The remuneration is as per the Remuneration Policy of the Company. Salient features of the remuneration policy for remuneration of directors, KMPs & other employees forms part of this report.



## MANAGEMENT DISCUSSION AND ANALYSIS:

### **Industry Overview :**

The Engineering Solutions industry provides surveys; feasibility and technical studies; geotechnical investigation; and environmental impact studies for transportation, building, energy, industrial, mining and water and sewage industries. Changing economic and business conditions, rapid engineering innovation, proliferation of the internet and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Customers are increasingly demanding improved technical solutions services with accelerated delivery times and at lower prices. To adequately address these needs, corporations are focusing on their core competencies and using outsourced technical service providers to help improve productivity, develop new products, conduct research and development activities, reduce business risk, and manage operations more effectively. The role of technology has evolved from supporting corporations to transforming them. The ability to design, develop, implement, and maintain advanced engineering platforms and solutions to address business and customer needs has become a competitive advantage and a priority for corporations worldwide. The need for more dynamic engineering solutions and the increased complexity, stronger global economic growth and construction activity are forecast to help increase industry revenue

### **Opportunities and Threats:**

We operate in a highly competitive and rapidly changing market. The domestic IT market too is coming into its own and witnessing a high degree of merger and acquisitions activity, involving some of the key players in the market. Increasing IT usage and adoption within the country in enhancing competitiveness of the Indian economy and the user community. Indian businesses, that are using IT as enabler, are becoming increasingly competitive in the global arena.

The priorities of the industry are changing, concentrating more on re-organization of operations, development of new markets and marketing techniques, giving the organizations vision a global outlook and retaining and building upon customer relationships. Our service philosophy is based on customized services, which are solely dependent on individual customer requirement, with the use of latest technology. Your Company's business model focuses on entering into strategic relationship with its customers and meeting their business needs by offering value added services through its vast area of operations, expertise, and experience.

### **Risks and Concerns:**

Risks and Concerns being faced by the Company are same as what others in the industry are facing and those are:

1. Intense competition in the market for technological services
2. High cost of resources.
3. Global market uncertainties
4. Availability and retention of Human resources
5. Foreign Exchange Fluctuation
6. Government policies
7. Political stability
8. Competition and customer acquisition.

### **Internal Control System and its adequacy:**

The company has an effective system of accounting and administrative controls which ensures that all assets are safeguarded and protected against loss against unauthorized use or disposition. The system encompasses all areas of the operations with procedures and processes laid down to control for day to day activities. These are reviewed on ongoing basis by the top management and changes, whenever needed, are incorporated. Having regard to the size and nature of business, the existing internal control systems are considered adequate and reliable.

## Discussion on Financial Performance

Ratios	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Debtors Turnover Ratio*	1.01	0.31	1.01	0.31
Interest Coverage Ratio	N.A	N.A	N.A	N.A
Current Ratio**	6.05	1.96	6.06	1.97
Debt Equity Ratio	N.A	N.A	N.A	N.A
Operating Margin Ratio***	(148%)	(376%)	(148%)	(376%)
Net Profit Margin****	(149%)	(376%)	(1978%)	(376%)
Return on Net Worth (RONW)	(1.14%)	(1.23%)	(1.14%)	(1.07%)

\* Debtors turn over ratio has improved, due to improved collection from debtors compared to revenue in the current year.

\*\* Current ratio has increased at the end of current year due to reduction in Other Current Financial Liabilities.

\*\*\*Despite increase in expenses, Operating Margin Ratio has gone up due to more than proportionate increase in the revenue.

\*\*\*\*Despite marginal increase in interest cost, Net profit margin has gone up due to increase in the revenue and the Increase in loss in consolidated is due to impairment of loss of Goodwill on consolidation.

## ASSETS AND LIABILITIES

### Assets:

#### Property Plant & Equipment

There was no addition in the gross block during FY 2018-19 and FY 2017-18 and Gross block as on March 31, 2019 was ₹ 440.94 lacs (Previous year ₹ 440.94 lac). During the year intangible asset, impairment loss of Good will on consolidation ₹ 96.59 lacs. (Previous year ₹ Nil). Net Block was Nil ( Previous year ₹ 96.59 lacs)

#### Current Assets

##### Trade receivables

Trade receivables (net of provisions) as on March 31, 2019, was at ₹ 6.14 lacs as against ₹ 4.34 lacs at the end of previous year.

##### Cash and cash equivalents

Cash and cash equivalents as on March 31, 2019, was at ₹ 5.32 lacs as against ₹ 2.08 lacs in the earlier year. The Company maintains such balances in current, EEFC accounts with nationalized and other scheduled banks.

#### Loans

Loans represent cash outlay against which benefits are being received or expected to be received by the Company in future and include Other Deposits and To body corporate

As on March 31, 2019 stood at ₹ 788.61 lacs as against previous year amount of ₹ 1,391.21 lacs.

#### Current Tax Assets

Advance Income Tax As at March 31, 2019, Net of Provision ₹ 15.29 lacs same as at March 31, 2018: ₹ 14.92 lacs.

#### Other Current Assets

Other Current Assets consists of Other Advances as at March 31, 2019 ₹ 14.10 lacs as against previous year amount of ₹ 13.50 lacs.

# GI ENGINEERING SOLUTIONS LIMITED

## **Liabilities:**

### **Equity**

During the year ended March 31 2019 there was no changes in the Equity Share capital and the authorized Capital as on March 31, 2019, was as : 84,900 lacs Equity Shares of ₹ 10 each: Total of ₹ 849,000 lac Of which the Issued, Subscribed and Paid-up Share Capital of the Company, consist of : 8,611,878 Equity Shares of ₹ 10 each: Total of ₹ 861.19 lacs.

### **Other Equity**

Other equity debit balance as on 31st March 2019 ₹168.49 lac as compared to debit balance ₹ 64.13 lac to previous year. Other Equity consists of balance in the General Reserve, Security Premium Account, Capital redemption reserve, debit balance in the Profit and Loss account, besides balance in the exchange fluctuation reserve account arising out consolidation.

The balances as on 31st March 2019 in General Reserve Account was ₹ 2,298.48 lacs which was same as the balance at the end of the previous year. In case of balance in share premium account also there was no movement during the year with year end balance of ₹ 88 lacs. Capital redemption reserve was ₹ 700.00 lacs which was same as balance at the end of previous year. Exchange fluctuation reserve as on 31st March 2019 was ₹ 922.96 lac as compared to previous year ₹ 922.85 lac As on 31st March 2019 debit balance of Profit & Loss Account stood at ₹ 4,177.93 lacs as compared to previous year ₹ 4,073.46 lacs.

### **Current Liabilities**

#### **Borrowings**

Short term borrowing as on March 31, 2019, was at ₹ 5.00 lacs as against nil at the end of previous year.

#### **Trade payables**

Trade payables as on March 31, 2019, was at ₹ 9.19 lacs as against ₹9.93 lacs at the end of previous year.

#### **Other Current Financial Liabilities:**

Other Current Financial Liabilities as on March 31,

2019, was at ₹ 105.14 lacs as against ₹ 698.29 lacs at the end of previous year.

### **Current Tax Liabilities**

Current tax liabilities as on March 31, 2019 was ₹17.37 lacs, same as against balance as on March 31, 2018.

Liabilities and Provisions consist of Long term provision towards Trade payables, other current liabilities and Short Term provisions, including provision for income tax. As on March 31, balance of all liabilities and provisions was at ₹136.78 lacs as against previous year of ₹725.58 lacs.

## **INCOME & EXPENDITURE**

### **Income**

During the year 2018-19, the Company recorded a total income of ₹5.28 lacs as against ₹2.27 lacs in the previous year 2017-18. The Company for the year has recorded a loss of ₹104.47 lacs against previous year loss of ₹ 8.56 Lacs.

### **Expenditure**

The Company in current year incurred total operating cost of ₹13.17 lacs, including depreciation, compared to previous year of ₹10.84 lacs. Exceptional item of Impairment loss of goodwill on consolidation for the year ₹ 96.59 lacs.

## **CAUTIONARY STATEMENT**

Certain statements made in the Management Discussion and Analysis Report may constitute 'forward-looking-statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climate and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control.

# INDEPENDENT AUDITORS REPORT

To the Members of

## **GI ENGINEERING SOLUTIONS LIMITED**

### **Report on the Audit of Standalone Ind AS Financial Statements**

We have audited the accompanying standalone IND AS financial statements of **GI ENGINEERING SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2019, and profit, total comprehensive income, the 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion

thereon, and we do not provide a separate opinion on these matters.

Loans to other body corporates as referred to in Note 27 of the standalone financials are given for business purpose and recoverable in future as certified by the management

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Board's report including annexures of Board's report but does not include the standalone financial statements and our auditors' report thereon.

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

#### **Responsibilities of Management and those charged with governance for the standalone Ind AS financial statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material

misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Companies Act, 2013, we are also responsible for

expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone

Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and subject to the information and explanations given to us, we give in the "Annexure 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, based on our audit, 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
    - (d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Accounting Standards prescribed 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22 to the 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 were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
    - iv. The reporting on disclosures relating to Specified Bank Notes have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2019

**For SACHIN PHADKE & ASSOCIATES**  
Chartered Accountants  
Firm Registration No 133898W

**Sachin Phadke**  
Proprietor  
Membership No.117084

Place: Mumbai,  
Date: 22 May,2019

# GI ENGINEERING SOLUTIONS LIMITED

## ANNEXURE - A

### TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) As per the information produced before us the Company has maintained proper records showing full particulars, including quantitative details of fixed assets.
- (b) According to the information and explanations produced before us and on the basis of our examination of the records of the Company since No physical assets exist as on the Balance Sheet date, this clause is not applicable.
- (c) According to the information and explanations produced before us and on the basis of our examination of the records of the Company since No physical assets exist as on the Balance Sheet date, this clause is not applicable.
- (ii) The Company is a service company, primarily rendering computer based services in the area of Geospatial Information System (GIS). Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraph 3(iii)(a)(b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or securities to the parties covered under section 185 and 186 of the Act. Therefore, the provision of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Therefore the provisions of paragraph 3(vi) of the Order are not applicable to the company.
- (vii) In respect of statutory dues:
- (a) According to the explanations given to us and records of the Company produced, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been generally regularly deposited with appropriate authorities. Based on the information and explanations given to us and records of the company examined by us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date of it become payable.
- (b) According to the information and explanation given to us, there are no dues outstanding of income tax, sales tax, service tax, goods and service tax customs duty, excise duty or cess which have not been deposited by the Company on account of any dispute, except for the following:

Statute and nature of dues	Assessment Year	Amount (₹ in lakhs)	Forum where dispute is pending
Income Tax Act 1961	2009-10	3.78	DCIT
Income Tax Act 1961	2011-12	14.38	DCIT

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowing from any financial institutions, banks and government nor has it

issued any debentures as at balance sheet date the provisions of Clause 3(viii) of the Order are not applicable to the Company.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under consideration. According, to the information and explanation given to us and based on our examination of the records, The company has not raised any term loans, accordingly the provision of Clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us and based on our audit, we have not come across any material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, No Managerial remuneration has been paid or provided during the year, accordingly the provision of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and

details of such transactions have been disclosed in the standalone IND AS financial statements as required by the applicable Accounting Standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) 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, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SACHIN PHADKE & ASSOCIATES**

Chartered Accountants  
(Firm Registration No.133898W)

**Sachin Phadke**  
(Proprietor)  
(Membership No.117084)

Place: Mumbai,  
Date: 22 May, 2019



## ANNEXURE - B

### TO THE INDEPENDENT AUDITOR'S REPORT

#### **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 GI Engineering Solutions Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the IND AS financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal

financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **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 system over financial reporting and such internal financial controls over financial reporting

were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For SACHIN PHADKE & ASSOCIATES**

Chartered Accountants  
(Firm Registration No.133898W)

**Sachin Phadke**

(Proprietor)  
(Membership No.117084)

Place: Mumbai,  
Date: 22 May, 2019

# GI ENGINEERING SOLUTIONS LIMITED

## BALANCE SHEET

AS AT MARCH 31, 2019

Particulars	Note No.	March 31, 2019 ₹	March 31, 2018 ₹
<b>I. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Property, Plant and Equipment	3 (a)	-	-
b) Intangible Assets	3 (b)	-	-
c) Financial Assets: Non-Current Investments	4	-	-
<b>Total Non-Current Assets</b>		-	-
<b>2) Current Assets</b>			
a) Financial Assets: Trade Receivables	5	614,100	434,150
Cash and Cash Equivalents	6	360,570	47,387
Loans Receivables	7	78,861,027	139,121,153
b) Current Tax Assets (Net)	8	1,529,362	1,492,112
c) Other Current Assets	9	1,410,319	1,349,684
<b>Total Current Assets</b>		82,775,378	142,444,486
<b>TOTAL ASSETS</b>		<b>82,775,378</b>	<b>142,444,486</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
a) Share Capital	10	86,118,780	86,118,780
b) Other Equity	11	(17,021,265)	(16,232,756)
<b>Total Equity</b>		<b>69,097,515</b>	<b>69,886,024</b>
<b>Liabilities</b>			
<b>2) Current Liabilities</b>			
a) Financial Liabilities: Borrowings	12	500,000	-
Trade Payables	13	918,592	993,011
Other Current Financial Liabilities	14	10,513,619	69,828,770
b) Other Current Liabilities	15	8,971	-
c) Current Tax liabilities (Net)	16	1,736,681	1,736,681
<b>Total Current Liabilities</b>		<b>13,677,863</b>	<b>72,558,462</b>
<b>Total Liabilities</b>		<b>13,677,863</b>	<b>72,558,462</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>82,775,378</b>	<b>142,444,486</b>

III. Notes forming integral part of the Ind AS Financial Statements 1 to 34

As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

SAJID MALIK  
MANAGING DIRECTOR  
DIN No.00400366

SAROJA MALIK  
DIRECTOR  
DIN No.00400421

SACHIN PHADKE  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

SUNIL PATEL  
Company Secretary

RAVI T R  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	March 31, 2019 ₹	March 31, 2018 ₹
<b>I. Income</b>			
Revenue from Operations	17	525,000	222,750
Other Income	18	3,073	4,684
<b>Total Revenue</b>		<b>528,073</b>	<b>227,434</b>
<b>II. Expenses</b>			
Employee Benefit Expenses	19	325,972	35,246
Finance Costs	20	8,455	2,074
Depreciation and Amortization Expense	3	-	-
Other Expenses	21	982,155	1,046,396
<b>Total Expenses</b>		<b>1,316,582</b>	<b>1,083,716</b>
<b>III Profit / (Loss) before exceptional Items</b>		<b>(788,509)</b>	<b>(856,282)</b>
Less : Exceptional Items		-	-
Investment in Subsidiary written off (Refer Note no.29)		268,234,232	-
Provision for diminution in value of investment written back		(268,234,232)	-
<b>IV. Profit/(Loss) Before Tax</b>		<b>(788,509)</b>	<b>(856,282)</b>
<b>V. Tax Expense:</b>			
Current Tax		-	-
Tax Adjustment for earlier years		-	-
<b>VI. Profit / (Loss) from continued operations after tax</b>		<b>(788,509)</b>	<b>(856,282)</b>
<b>VII. Profit / (Loss) from discontinued operations</b>		-	-
<b>VIII. Tax Expense of discontinued operations</b>		-	-
<b>IX. Profit/(Loss) from Discontinued Operations after Tax</b>		-	-
<b>Other Comprehensive Income for the year, net of tax</b>		-	-
<b>X Total Comprehensive income for the year, net of tax</b>		<b>(788,509)</b>	<b>(856,282)</b>
<b>XI. EARNINGS PER EQUITY SHARE</b>	28		
Equity Shares of face value of ₹10 each			
Basic & Diluted - Before exceptional Items		(0.09)	(0.10)
Basic & Diluted - After exceptional Items		(0.09)	(0.10)
Number of shares used in computing earnings per share		8,611,878	8,611,878

**XII The notes forming integral part of the Ind AS Financial Statements 1 to 34**

As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

SAJID MALIK  
MANAGING DIRECTOR  
DIN No.00400366

SAROJA MALIK  
DIRECTOR  
DIN No.00400421

SACHIN PHADKE  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

SUNIL PATEL  
Company Secretary

RAVI T R  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

# GI ENGINEERING SOLUTIONS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note no.	March 31, 2019 ₹	March 31, 2018 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and extraordinary items		(788,509)	(856,282)
Bank charges to consider separate below		8,455	2,074
		<u>8,455</u>	<u>2,074</u>
Operating Profit before working capital changes		(780,054)	(854,208)
Adjusted for:			
(Increase)/Decrease in Borrowings	500,000	-	-
(Increase)/Decrease in Trade Receivables	(179,950)	596,130	596,130
(Increase) / Decrease in Loans	60,260,126	10,645,000	10,645,000
(Increase) / Decrease in Other Assets	(97,885)	(139,242)	(139,242)
Increase / (Decrease) in Financial liabilities	(59,315,151)	(10,273,863)	(10,273,863)
Increase / (Decrease) in Other Current Liabilities	(65,449)	(14,398)	(14,398)
		<u>1,101,692</u>	<u>813,628</u>
Cash Generated from Operations		<u>321,638</u>	<u>(40,580)</u>
Net Cash Flow from Operating Activities [A]		<u>321,638</u>	<u>(40,580)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Cash used in Investing Activities [B]		-	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Bank charges	(8,455)	(2,074)	(2,074)
Net Cash Flow from Financing Activities [C]		<u>(8,455)</u>	<u>(2,074)</u>
Net Increase in Cash & Cash Equivalents [A+B+C]		<u>313,183</u>	<u>(42,654)</u>
Cash & Bank Balance (Opening Balance)		<u>47,387</u>	<u>90,041</u>
Cash & Bank Balance (Closing Balance)		<u>360,570</u>	<u>47,387</u>
Cash & Bank balance comprise			
Cash in Hand		231	
Balance with Banks		<u>360,339</u>	<u>47,387</u>
Cash & Bank Balance as at the end of the year	6	<u>360,570</u>	<u>47,387</u>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) -7 - "Cash Flow Statements"

As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

SAJID MALIK  
MANAGING DIRECTOR  
DIN No.00400366

SAROJA MALIK  
DIRECTOR  
DIN No.00400421

SACHIN PHADKE  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

SUNIL PATEL  
Company Secretary

RAVI T R  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

**(A) Equity share capital**

Particulars	Notes	No. of shares	(₹)
Balance as at April 1, 2017		8,611,878	86,118,780
Changes in equity share capital during the year		-	-
Balance as at March 31, 2018		8,611,878	86,118,780
Changes in equity share capital during the year		-	-
<b>Balance as at March 31, 2019</b>	<b>10</b>	<b>8,611,878</b>	<b>86,118,780</b>

**(B) Other Equity**

Particulars	Notes	(in ₹)				
		General Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Total Other Equity
Balance as at April 1, 2017		306,079,105	8,800,000		(330,255,579)	(15,376,474)
Profit for the year		-	-	-	(856,282)	(856,282)
Add/(Less) Transfer to/from		(70,000,000)		70,000,000		-
<b>As at March 31, 2018</b>		<b>236,079,105</b>	<b>8,800,000</b>	<b>70,000,000</b>	<b>(331,111,861)</b>	<b>(16,232,756)</b>
Profit for the year		-	-	-	(788,509)	(788,509)
<b>As at March 31, 2019</b>	<b>11</b>	<b>236,079,105</b>	<b>8,800,000</b>	<b>70,000,000</b>	<b>(331,900,370)</b>	<b>(17,021,265)</b>

Note

As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

**SAJID MALIK**  
MANAGING DIRECTOR  
DIN No.00400366

**SAROJA MALIK**  
DIRECTOR  
DIN No.00400421

**SACHIN PHADKE**  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

**SUNIL PATEL**  
Company Secretary

**RAVI T R**  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 1. Company's Background

GI Engineering Solutions Limited (herein after referred as 'Company' or 'GIESL') is formed to provide Information Technology, Engineering Services and other related services.

The company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, Maharashtra.

The company has its Equity Shares listed on Bombay Stock Exchange and National Stock Exchange.

Authorisation of Financial Statements: The Financial Statements were authorized for issuance in accordance with a resolution of the Board of Directors in its meeting held on 22nd May, 2019.

### 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the periods presented by the Company unless otherwise stated.

#### A) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind-AS) notified under section 133 of Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules there under.

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value (refer accounting policies for financial instruments).

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

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

#### B) Use of Estimates and Judgements :

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

#### Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that effect the reported amounts of assets, liabilities, in come and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized porpectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the relevant notes

#### C). Current versus Non-current classification

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

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

## D) Revenue recognition and expenses

Company earns revenue primarily from Information Technology, Engineering Services and other related services.

Effective April 1, 2018, Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018), which was not material. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(d) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The adoption of standard did not have any material impact on the financial statements of Company.

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where Company is standing ready to provide services is recognised based on time

elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct third party hardware and / or software is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Company disaggregates revenue from contracts with customers by geography.

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses.

### Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

### Dividend Income:

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### Other Income:

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

## E) Property, Plant and equipments

### (i) Tangible Assets

Property, plant and equipment's (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes directly attributable costs for bringing the assets to its present location and use.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets derecognized.

Particulars	Useful Life
(A) Tangible Assets	
Computer hardware (including servers & networks)	3 years
Imaging Systems	3 years
Other Assets	As per Useful Life specified in Schedule II

Depreciation / Amortization is charged on a pro-rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

Assets costing individually ₹ 5,000/- or less are fully depreciated in the year of purchase / installation.

Residual value is considered as Nil for all the assets.

### (ii) Intangible Assets

Purchases of intangible assets are capitalized at the acquisition price including directly attributable costs for bringing the asset into use, less accumulated amortization and impairment. Direct expenditure, if any, incurred for internally developed intangibles from which future economic benefits are expected to flow over a period of time is treated as intangible asset as per the Ind AS on Intangible Assets.

### Depreciation:

Depreciation on Intangible assets is provided on straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013 except in case of following category of Intangible assets in which case the life of the items

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

of Intangible assets has been assessed as under based on technical estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc.

(B) Intangible Assets	
- Computer software	3 years
- GIS database	3 years

Depreciation / Amortization is charged on a pro-rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

Assets costing individually ₹5,000/- or less are fully depreciated in the year of purchase / installation.

Residual value is considered as Nil for all the assets.

## F) Borrowing Costs

Borrowing costs, if any, directly attributable to the acquisition of the qualifying asset are capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

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

## G) Financial Instruments

### Initial measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for the trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

### a) Subsequent measurement (Non derivative financial instruments)

#### 1. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized 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 for payments of principal and interest on the principal amount outstanding.

#### 2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

#### 3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### 4. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 5. Investment in Subsidiaries and Associates:

Investment in subsidiaries and Associates are carried at cost less impairment.

#### b) Share Capital – Ordinary Shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Equity instruments recognised at the proceeds received net of direct issue cost.

#### c) De-recognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### H) Fair Value measurement of Financial Instruments

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. 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 which can be accessed by the Company for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation

techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

#### I) Impairment of assets

##### (i) Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

(or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

## (ii) Non-Financial Assets

### Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## J) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

## K) Foreign Currency Transactions

All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year. Monetary assets and liabilities in the form of Loans, Current Assets and Current Liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or discount arising at the inception of the forward exchange contracts related to underlying receivables and payables, if any, are amortized as an expense or income recognized over the period of the contracts. Gains or losses on renewal or cancellation of foreign exchange forward contracts are recognized as income or expense for the period.

Investments in overseas entity are recognized at the relevant exchange rates prevailing on the date of investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transactions took place. Net Gain / Loss in foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date.

## L) Employee Benefits

Short-term employee benefits – Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

the period in which the employee renders the related service.

Post-employment benefits (defined benefit plans) – The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on management estimates unless they are significant for actuarial valuation.

Post-employment benefits (defined contribution plans) – Contributions to the provident fund is defined contribution plan and is recognized as an expense in the Statement of Profit and Loss in the period in which the contribution is due.

Long-term employee benefits – Long-term employee benefits comprise of compensated absences and other employee incentives, if any. These are measured based on management estimates unless they are significant for actuarial valuation.

### M) Taxation

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

#### Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognized amounts; and

- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred Income Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority

### N) Earnings per Share (EPS)

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## O) Cash and Cash Equivalents

Cash and Cash equivalents comprises cash and calls on deposit with banks and corporations. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalent.

## P) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## Q) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## R) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end.

Contingent liabilities are not provided for and are disclosed by way of notes to accounts, where

there is an obligation that may, but probably will not, require outflow of resources.

Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

## 2A) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

### Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1,

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

### **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf

of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

### **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

### **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

## **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

## **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term

interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

## **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.



# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 3(a). Property, Plant and equipment

Particulars				(in ₹)
	Computers	Furniture & Fictures	Office Equipments	Total
<b>Gross Block</b>				
<b>As at April 01, 2017</b>	831,351	128,374	1,666,905	2,626,630
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2018</b>	8,31,351	1,28,374	16,66,905	26,26,630
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2019</b>	<b>8,31,351</b>	<b>1,28,374</b>	<b>16,66,905</b>	<b>26,26,630</b>
<b>Depreciation</b>				
<b>As at April 01, 2017</b>	831,351	128,374	1,666,905	2,626,630
Charge for the year	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2018</b>	8,31,351	1,28,374	16,66,905	26,26,630
Charge for the year	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2019</b>	<b>8,31,351</b>	<b>1,28,374</b>	<b>16,66,905</b>	<b>26,26,630</b>
<b>Net Block</b>				
As at March 31, 2018	-	-	-	-
<b>As at March 31, 2019</b>	-	-	-	-

### 3(b). Intangible Assets

Particulars	(in ₹)
	Computer Software
<b>Gross Block</b>	
<b>As at April 01, 2017</b>	273,558
Additions	-
Deductions	-
<b>As at March 31, 2018</b>	2,73,558
Additions	-
Deductions	-
<b>As at March 31, 2019</b>	<b>2,73,558</b>
<b>Depreciation</b>	
<b>As at April 01, 2017</b>	273,558
Charge for the year	-
Deductions	-
<b>As at March 31, 2018</b>	2,73,558
Charge for the year	-
Deductions	-
<b>As at March 31, 2019</b>	<b>2,73,558</b>
<b>Net Block</b>	
As at March 31, 2018	-
<b>As at March 31, 2019</b>	-

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 4. Non-Current Investments

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(A) Unquoted Equity Shares</b>		
i) <b>Investment in Equity Instruments of Subsidiary company measured at cost</b>		
Genesys Enterprises Inc		
5,50,650 Common Stock USD 10 par value in Genesys Enterprises Inc., USA		
(Previous year: 5,50,650 common stock \$ 10 par value)	-	268,234,232
Less : Provision for Diminution on value of investment (Refer Note 29)	-	268,234,232
<b>Total Non-Current Investments</b>	-	-
<b>Aggregate Amount of unquoted Investments</b>	-	268,234,232
<b>Aggregate amount of impairment in value of investment</b>		-
<b>Investments carried at Cost</b>	-	268,234,232
<b>Investments carried at Amortised Cost</b>	-	-
<b>Investments carried at Fair Value through other comprehensive income</b>	-	-
<b>Investments carried at Fair Value through profit or loss</b>	-	-

## 5. Trade receivables

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, Considered good at amortised cost)		
Others	29,697,758	29,517,808
Less : Allowance for doubtful debts	29,083,658	29,083,658
<b>Total Trade Receivables</b>	<b>614,100</b>	<b>434,150</b>

## 6. Cash and cash equivalents

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
i) Balance with banks		
In Current Accounts	360,339	46,583
ii) Cash on Hand	231	804
<b>Total Cash and Cash equivalents</b>	<b>360,570</b>	<b>47,387</b>

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 7. Loans Receivables

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
Unsecured, considered good		
Loan to Other Body Corporates (Refer Note 27) and others	78,861,027	139,121,153
<b>Total Loans</b>	<b>78,861,027</b>	<b>139,121,153</b>

### 8. Current Tax Assets

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
Advance Income Tax (Net of Provision ₹ 1,683,209 (As at 31st March, 2018: ₹ 1,638,209)	1,529,362	1,492,112
<b>Total Current Tax Assets</b>	<b>1,529,362</b>	<b>1,492,112</b>

### 9. Other Current Assets

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
Unsecured, considered good	1,410,319	1,349,684
Other Advances		
<b>Total Other Current Assets</b>	<b>1,410,319</b>	<b>1,349,684</b>

### 10. Share Capital

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Authorised</b>		
<b>Equity Share Capital</b>		
8,490,000,000 Equity Shares of ₹10/- each	84,900,000,000	84,900,000,000
<b>Preference Share Capital</b>		
10,000,000 Preference Shares of ₹10 each	100,000,000	100,000,000
<b>Issued Subscribed and Fully Paid-up Capital</b>		
8,611,878 Equity Shares of ₹10/- each	86,118,780	86,118,780
<b>Total</b>	<b>86,118,780</b>	<b>86,118,780</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Reconciliation of number of equity share outstanding as at the beginning and at the end of reporting period

Particulars	(in ₹)			
	March 31, 2019		March 31, 2018	
	Number	₹	Number	₹
<b>Shares outstanding at the beginning of the year</b>	<b>8,611,878</b>	<b>86,118,780</b>	8,611,878	86,118,780
<b>Add: Shares issued during the year</b>	-	-	-	-
Shares outstanding at the end of the year	<u>8,611,878</u>	<u>86,118,780</u>	<u>8,611,878</u>	<u>86,118,780</u>

The Company has only one class of share referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

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.

During the period of five financial years immediately preceding the Balance Sheet date, the company has not:

- (i) allotted any equity shares pursuant to any contract without payment being received in cash; and
- (ii) bought back any equity shares.

The details of shareholders holding more than 5% shares as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	(in ₹)			
	As at		As at	
	March 31, 2019		March 31, 2018	
<b>Equity Shares</b>				
Mrs.Saroja Malik	<b>1,691,716</b>	<b>19.64%</b>	1,691,716	19.64%
M/s. Kilam Holdings Limited	<b>1,378,405</b>	<b>16.01%</b>	1,378,405	16.01%
M/s. Fortune Private Equity, LLC	<b>1,100,000</b>	<b>12.77%</b>	1,100,000	12.77%

## Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

- (1) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;
- (2) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 11. Other Equity

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
<b>SECURITIES PREMIUM RESERVE - Opening Balance</b>	<b>8,800,000</b>	8,800,000
Add: Receipt during the year	-	-
	<b>8,800,000</b>	8,800,000
<b>GENERAL RESERVE - Opening Balance</b>	<b>236,079,105</b>	306,079,105
Add: Transfer from Surplus	-	-
Less : Transferred to Capital Redemption Reserve	-	70,000,000
	<b>236,079,105</b>	236,079,105
<b>Capital Redemption reserve - Opening</b>	<b>70,000,000</b>	-
Add : Transferred from General Reserve	-	70,000,000
	<b>70,000,000</b>	70,000,000
<b>SURPLUS / (DEFICIT) - Opening Balance</b>	<b>(331,111,861)</b>	(330,255,579)
Add: Net loss after tax transferred from Statement of Profit and Loss	<b>(788,509)</b>	(856,282)
	<b>(331,900,370)</b>	(331,111,861)
<b>SURPLUS / (DEFICIT) - Closing Balance</b>	<b>(331,900,370)</b>	(331,111,861)
<b>Total Other Equity</b>	<b>(17,021,265)</b>	(16,232,756)

### 12. Borrowings

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Short term borrowings	-	-
Loan from Director (Refer note 25)	<b>500,000</b>	-
<b>Total Borrowings</b>	<b>500,000</b>	-

### 13. Trade Payables

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Trade Payables	<b>918,591</b>	993,011
<b>Total Trade payables</b>	<b>918,591</b>	993,011

Amount due to Micro, Small and Medium Enterprises :

- (a) There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- (b) No interest is paid/payable during the year to any enterprise registered under the MSMED.
- (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 14. Other Current Financial Liabilities

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Current maturities of Long term debts	-	34,000,000
Other Liabilities		
Provision for Expenses	1,271,985	1,302,987
Other payables	9,241,634	34,525,783
<b>Total Other Current Financial Liabilities</b>	<b>10,513,619</b>	<b>69,828,770</b>

Note : Current maturities of long term debts current year FY 18-19- NIL (Previous year consists 4.5% Cumulative Preference Shares redeemed during FY 2017-18 as per maturity, balance payable of ₹34,000,000)

## 15. Other Current Liabilities

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Statutory Liabilities	8,971	-
<b>Total Other Current Liabilities</b>	<b>8,971</b>	<b>-</b>

## 16. Current Tax Liabilities

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Provision for Income Tax (Net of Advance Tax ₹1,136,527 (As at 31st March, 2018: ₹1,136,527)	1,736,681	1,736,681
<b>Total Current Tax Liabilities</b>	<b>1,736,681</b>	<b>1,736,681</b>

## 17. Revenue From Operations

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Revenue	525,000	222,750
<b>Total Revenue from Operations</b>	<b>525,000</b>	<b>222,750</b>

Refer note no.24 for disaggregate revenue geographically

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 18. Other Income

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Exchange Gain (Net)	3,073	29
Miscellaneous Income	-	4,655
<b>Total Other Income</b>	<b>3,073</b>	<b>4,684</b>

### 19. Employee Benefit Expenses

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Salaries, Allowances and Bonus	323,000	32,024
Staff Welfare	2,000	2,000
Contribution to Provident Fund and Other Funds	972	1,222
<b>Total Employee Benefit Expenses</b>	<b>325,972</b>	<b>35,246</b>

### 20. Finance Costs

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Bank Charges	8,455	2,074
<b>Total Finance Costs</b>	<b>8,455</b>	<b>2,074</b>

### 21. Other Expenses

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Conveyance and Traveling	2,573	2,000
Meeting Expenses	15,300	10,000
Legal and Professional Fees	125,440	75,246
Communication Expenses	10,328	19,471
Electricity and Water Charges	5,000	5,000
Printing & Stationery	52,600	134,448
Custodial fees	60,616	68,635
Listing Fees	539,999	450,000
Share Transfer Charges	67,395	95,912
Miscellaneous Expenses	77,904	160,684
Remuneration to Auditors		
- Statutory Audit	25,000	25,000
<b>Total Other Expenses</b>	<b>982,155</b>	<b>1,046,396</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 22. Contingent Liabilities:

Particulars	As at	
	March 31, 2019	March 31, 2018
(in ₹)		
<b>Contingent Liabilities</b>		
Estimated amount of claims against the company not acknowledged as debts in respect of :	-	-
Disputed Income Tax Matters	<b>1,816,017</b>	1,816,017

## 23. Employee Benefits :

Post-employment benefits plans

### (a) Defined Contribution Plans –

In respect of the defined contribution plans, an amount of ₹ Nil (Previous Year: ₹ Nil) has been provided in the Profit & Loss account for the year towards employer share of PF contribution.

### (b) Defined Benefit Plans –

The Liability in respect of gratuity is determined for current year as per management estimate ₹ Nil (previous year ₹ Nil as per management estimate) carried out as at Balance Sheet date. Amount recognized in profit and loss account ₹ Nil (previous year ₹ Nil)

## 24. The Company operates only in single Primary Segment i.e. Engineering based services for the purpose of IND-AS 108 Segmental reporting.

i. The disclosure requirement for Secondary Segment as per the Ind-AS - 108 is as under

(in ₹)		
<b>SECONDARY SEGMENT (Geographical Segment based on Sales Continent viz)</b>		
	2018-19	2017-18
<b>Segment Revenue</b>		
Asia	<b>525,000</b>	222,750
<b>Total Revenue from Operations</b>	<b>525,000</b>	222,750

## 25 Related party transactions:

List of Related Parties:-

A. With whom no transaction during the year :-

### a. Wholly owned Subsidiary Company

M/s Genesys Enterprises Inc., USA

### b. Key Management Personnel

Name of Personnel	Designation
Mrs. Saroja Malik	Director
Mr.Ganapathy Vishwanathan	Independent Director
Mr.Ganesh Acharya	Independent Director
Mr. Sohel Malik	President-Genesys Enterprises Inc-USA



## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

**c. Principal Shareholder**

M/s Kilam Holdings Ltd, Mauritius

**d. Associate Enterprises**

M/s. Valeo Nutra Private Limited

M/s Genesys International Corporation Ltd.

**B. With whom transaction made during the year :-**

**a. Key Management Personnel**

Details of Transactions with related parties are as follows :

Nature of Transactions	Designation	(in ₹)
Loan received during the year	Managing Director	500,000; (-)
Closing balance		500,000; (-)
Remuneration to Key Managerial Personnel (Refer note iii below) for the year	Company Secretary	122976; (-)
Closing balance		15372 ; (-)

Note :

- i) Figures in brackets are for the previous year.
- ii) There are no transactions with relative of Key Managerial Persons during the current and previous year
- iii) Remuneration to key managerial person does not include provision for gratuity and leave encashment which is determined for the Company as a whole.

- 26** In accordance with the Ind AS– 12 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, details of deferred tax assets estimated by the Company is given below-

Particulars	(Amount in ₹)	
	As at March 31, 2019	March 31, 2018
<b>Deferred Tax Assets</b>		
Fixed Assets (Depreciation/Amortization)	<b>334,296</b>	444,918
Provision for Doubtful Debts	<b>7,561,751</b>	8,986,850
<b>Total</b>	<b>7,896,047</b>	9,431,768
<b>Deferred Tax Liability</b>		
<b>Net Deferred Tax (Liability)/Assets</b>	<b>7,896,047</b>	9,431,768

Deferred Tax Assets arising on account of fixed assets depreciation/amortization, provisions for employees' benefits and doubtful debts etc. are not recognized in the books in absence of virtual/ reasonable certainty of future taxable income against which deferred tax assets can be set off.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 27 Loans to other body corporate include :

(Amount in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
Ekveera Marketing Pvt Ltd	1,138,950	22,238,950
Gopesh Impex Pvt Ltd	5,168,748	34,990,298
Saourav Impex Pvt Ltd	59,253,329	68,591,905
<b>Total</b>	<b>65,561,027</b>	<b>125,821,153</b>

Note : All the above loans are given for business purpose

## 28. Earnings per share:

(Amount in ₹)

Particulars	As at	
	2018-19	2017-18
Weighted average number of shares used as denominator for calculating Basic earning per share	8,611,878	8,611,878
Weighted average number of shares used as denominator for calculating Dilutive earning per share	8,611,878	8,611,878
Net Profit / ( Loss ) after tax (₹)	(788,509)	(856,282)
Basic EPS (₹)	(0.09)	(0.10)
Diluted EPS (₹)	(0.09)	(0.10)
Nominal value of Shares (₹)	10	10

29. In view of the consent received from New York Secretary Department of State , Division of Corporations and State Records, Albany, NY, in response to wholly owned subsidiary company's voluntary dissolution application, the holding company has written off the value of its investment in the subsidiary company at the end of March 31, 2019 in its book. A provision to this effect was made in the books of the holding company in 2016-17 when the subsidiary company made application for the voluntary dissolution.

## 30. Exchange Differences

During the period realized and unrealized exchange gain amounting to ₹ 3073 (Previous Year: of ₹29 ) is included in the profit and loss account.

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 31. Financial Instruments

#### A. The carrying value and fair value of financial instruments:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b><u>At Amortised Cost</u></b>				
Trade Receivables (Refer Note 5)	614,100	614,100	434,150	434,150
Cash & Cash equivalents (Refer Note 6)	360,570	360,570	47,387	47,387
Loans (Refer Note 7)	78,861,027	78,861,027	139,121,153	139,121,153
	-	-	-	-
<b>Total</b>	<b>79,835,697</b>	<b>79,835,697</b>	<b>139,602,690</b>	<b>139,602,690</b>
<b>Financial Liabilities</b>				
<b><u>At Amortised Cost</u></b>				
Borrowings (Refer Note 12)	500,000	500,000	-	-
Trade Payables (Refer Note 13)	918,592	918,592	993,011	993,011
Other Financial Liabilities (Refer Note 14)	10,513,619	10,513,619	69,828,770	69,828,770
<b>Total</b>	<b>11,432,211</b>	<b>11,432,211</b>	<b>70,821,781</b>	<b>70,821,781</b>

#### B. Fair value measurements recognised in the statement of financial position:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>At Amortised Cost</b>						
Trade Receivables (Refer Note 5)			614,100	-	-	434,150
Cash & Cash equivalents (Refer Note 6)			360,570	-	-	47,387
Loans (Refer Note 7)			78,861,027	-	-	139,121,153
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>79,835,697</b>	<b>-</b>	<b>-</b>	<b>139,602,690</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>						
<b><u>At Amortised Cost</u></b>						
Borrowings (Refer Note 12)			500,000			-
Trade Payables (Refer Note 13)			918,592	-	-	993,011
Other Financial Liabilities (Refer Note 14)			10,513,619	-	-	69,828,770
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>11,932,211</b>	<b>-</b>	<b>-</b>	<b>70,821,781</b>

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, Trade receivables, Other current Financial assets, Trade payable and other current Financial liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.

## 32. Financial risk management:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risks limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit.

### 1. Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers. Credit risk is managed through credit approvals establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables and other financial assets.

### 2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will all ways have sufficient liquidity to meets it liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to Company's reputation.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 3. Market Risk

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payable and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive in our foreign currency revenues and costs. The Company uses derivative to manage market risk.

### 33. Statement of Management

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent if any stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Statement of Profit & Loss and Cash Flow statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

34. Figures for previous year have been re-grouped/re-classified wherever necessary to conform to current year's presentation.

**As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W**

**For and on behalf of the Board Of Directors**

**SACHIN PHADKE**  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

**SAJID MALIK**  
MANAGING DIRECTOR  
DIN No.00400366

**SUNIL PATEL**  
Company Secretary

Date : May 22, 2019  
Place: MUMBAI

**SAROJA MALIK**  
DIRECTOR  
DIN No.00400421

**RAVI T R**  
Chief Financial Officer

# INDEPENDENT AUDITORS' REPORT

To the Members of

## **GI Engineering Solutions Limited**

### **Report on the Audit of Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **GI Engineering Solutions Limited** (herein after referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in Equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, of consolidated loss, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There is an impairment loss of goodwill arising on consolidation during the financial year to the tune of Rs 9.65 million which loss is transferred to the statement of profit and loss for the year as referred to in Note No 2(b) and 27 of the Consolidated financials.

#### **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's report including annexures of Board's Report but does not include the consolidated financial statements and our auditors' report thereon.

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

#### **Responsibilities of Management and those charged with governance for the consolidated Ind AS financial statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 companies included in the Group is responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- 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 ability of the Group and its associates 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters

that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Section 143(3) we report, to the extent applicable, 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 aforesaid Consolidated Ind AS Financial Statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, and subsidiary company incorporated outside India including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding and subsidiary Company.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary company incorporated outside India including relevant records relating to the preparation of the Consolidated Ind AS Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Ind AS 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 as on 31st March, 2019 and taken on record by the Board of Directors of the Holding Company and the subsidiary company incorporated outside India, none of the directors of the Holding Company and its subsidiary company incorporated outside India is disqualified as on March 31, 2019 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 over financial reporting of the Holding Company and its subsidiary company incorporated outside India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) 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 Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the consolidated financial position of the Holding Company and its subsidiary company – Refer Note 20 to the Consolidated Ind AS 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 were no amounts which were required to be transferred to the investor Education and Protection Fund by Holding company incorporated in India and its subsidiary Company incorporated outside India, during the year ended March 31, 2019.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019

**For SACHIN PHADKE & ASSOCIATES**

Chartered Accountants  
Firm Registration No 133898W

**Sachin Phadke**  
Proprietor  
Membership No.117084

Place: Mumbai,  
Date: 22nd May, 2019



## ANNEXURE - A

### TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report 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 31st March, 2019, we have audited the internal financial controls over financial reporting of GI Engineering Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, incorporated outside India, as of that date.

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

The respective Board of Directors of the company and its subsidiary company, which are companies incorporated outside India are responsible for establishing and maintaining internal financial controls based on 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 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 ("the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the

extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary company which are incorporated in India and USA respectively 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For SACHIN PHADKE & ASSOCIATES**

Chartered Accountants  
Firm Registration No 133898W

**Sachin Phadke**

Proprietor  
Membership No.117084

Place: Mumbai,  
Date: 22nd May, 2019

# GI ENGINEERING SOLUTIONS LIMITED

## CONSOLIDATED BALANCE SHEET

As At March 31, 2019

Particulars	Note No.	March 31, 2019 ₹	March 31, 2018 ₹
<b>I. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Property, Plant and Equipment	2(a)	-	-
b) Intangible Assets	2(b)	-	9,658,625
<b>Total Non-Current Assets</b>		-	9,658,625
<b>2) Current Assets</b>			
a) Financial Assets:			
Trade Receivables	3	614,100	434,150
Cash and Cash Equivalents	4	532,080	208,145
Loans Receivables	5	78,861,027	139,121,153
b) Current Tax Assets (Net)	6	1,529,362	1,492,112
c) Other Current Assets	7	1,410,319	1,349,684
<b>Total Current Assets</b>		<b>82,946,888</b>	<b>142,605,243</b>
<b>TOTAL ASSETS</b>		<b>82,946,888</b>	<b>152,263,868</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
a) Share Capital	8	86,118,780	86,118,780
b) Other Equity	9	(16,849,756)	(6,413,376)
<b>Total Equity</b>		<b>69,269,024</b>	<b>79,705,404</b>
<b>Liabilities</b>			
<b>2) Current Liabilities</b>			
b) Financial Liabilities:			
Borrowings	10	500,000	-
Trade Payables	11	918,591	993,013
Other Current Financial Liabilities	12	10,513,621	69,828,770
b) Other Current Liabilities	13	8,971	-
c) Current Tax liabilities (Net)	14	1,736,681	1,736,681
<b>Total Current Liabilities</b>		<b>13,677,864</b>	<b>72,558,464</b>
<b>Total Liabilities</b>		<b>13,677,864</b>	<b>72,558,464</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>82,946,888</b>	<b>152,263,868</b>

III. Notes forming integral part of the Ind AS Financial Statements 1 to 32

As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

SAJID MALIK  
MANAGING DIRECTOR  
DIN No.00400366

SAROJA MALIK  
DIRECTOR  
DIN No.00400421

SACHIN PHADKE  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

SUNIL PATEL  
Company Secretary

RAVI T R  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	March 31, 2019 ₹	March 31, 2018 ₹
<b>I. Income</b>			
Revenue from Operations	15	525,000	222,750
Other Income	16	3,073	4,684
<b>Total Revenue</b>		<b>528,073</b>	<b>227,434</b>
<b>II. Expenses</b>			
Employee Benefit Expenses	17	325,972	35,246
Finance Costs	18	8,455	2,074
Depreciation and Amortization Expense	2	-	-
Other Expenses	19	982,155	1,046,396
<b>Total Expenses</b>		<b>1,316,582</b>	<b>1,083,716</b>
<b>III. Profit/(Loss) Before Tax</b>		<b>(788,509)</b>	<b>(856,282)</b>
<b>Exceptional Items</b>			
Impairment Loss of Good will (Refer Note 2(b)& Note 27)		(9,658,625)	-
<b>Total exceptional Items</b>		<b>(9,658,625)</b>	<b>-</b>
<b>IV. Tax Expense:</b>			
Current Tax		-	-
Tax Adjustment for earlier years		-	-
<b>V. Profit / (Loss) from continued operations after tax</b>		<b>(10,447,134)</b>	<b>(856,282)</b>
<b>VI. Profit / (Loss) from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>VII. Tax Expense of discontinued operations</b>		<b>-</b>	<b>-</b>
<b>VIII. Profit/(Loss) from Discontinued Operations after Tax</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>IX Total Comprehensive income for the year, net of tax</b>		<b>(10,447,134)</b>	<b>(856,282)</b>
<b>X. EARNINGS PER EQUITY SHARE</b>	26		
Equity Shares of face value of ₹ 10 each			
Basic & Diluted - Before exceptional Items		(1.21)	(0.10)
Basic & Diluted - After exceptional Items		(1.21)	(0.10)
Number of shares used in computing earnings per share		8,611,878	8,611,878

**XII Notes forming integral part of the Ind AS Financial Statements** 1 to 32

As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

SAJID MALIK  
MANAGING DIRECTOR  
DIN No.00400366

SAROJA MALIK  
DIRECTOR  
DIN No.00400421

SACHIN PHADKE  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

SUNIL PATEL  
Company Secretary

RAVI T R  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

# GI ENGINEERING SOLUTIONS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note no.	March 31, 2019 ₹	March 31, 2018 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and extraordinary items		(10,447,134)	(856,282)
Adjustments for:			
Provision for Doubtful loans and advances		-	-
Provision for bad and doubtful debts		-	-
Impairment of Goodwill		9,658,625	-
Bank charges to consider separate below		8,455	2,074
		<u>9,667,080</u>	<u>2,074</u>
<b>Operating Profit before working capital changes</b>		<b>(780,054)</b>	<b>(854,208)</b>
Adjusted for:			
(Increase)/Decrease in Borrowings		500,000	
(Increase)/Decrease in Trade Receivable		(179,950)	596,130
(Increase)/Decrease in Loans		60,260,126	10,645,000
(Increase) / Decrease in Other Assets		(97,885)	(139,242)
Increase / (Decrease) in Financial liabilities		(59,315,149)	(10,260,374)
Increase / (Decrease) in Other Current Liabilities		(65,451)	(27,886)
		<u>1,101,691</u>	<u>813,629</u>
<b>Cash Generated from Operations</b>		<b>321,637</b>	<b>(40,579)</b>
Income Taxes (Paid) / Refund received		-	-
<b>Net Cash Flow from Operating Activities [A]</b>		<b>321,637</b>	<b>(40,579)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		-	-
<b>Net Cash used in Investing Activities [B]</b>		-	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Bank charges		(8,455)	(2,074)
<b>Net Cash Flow from Financing Activities [C]</b>		<b>(8,455)</b>	<b>(2,074)</b>
<b>Net Increase in Cash &amp; Cash Equivalents [A+B+C]</b>		<b>313,182</b>	<b>(42,653)</b>
Exchange difference on translation of foreign currency accounts/ deposits		10754	100
<b>Cash &amp; Bank Balance (Opening Balance)</b>		<b>208,145</b>	<b>250,698</b>
<b>Cash &amp; Bank Balance (Closing Balance)</b>	4	<b>532,080</b>	<b>208,145</b>
Cash & Bank balance comprise			
Balance with Banks		532080	208,145
<b>Cash &amp; Bank Balance as at the end of the year</b>		<b>532,080</b>	<b>208,145</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) -7 - "Cash Flow Statements"

**As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W**

**For and on behalf of the Board Of Directors**

**SAJID MALIK**  
MANAGING DIRECTOR  
DIN No.00400366

**SAROJA MALIK**  
DIRECTOR  
DIN No.00400421

**SACHIN PHADKE**  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

**SUNIL PATEL**  
Company Secretary

**RAVI T R**  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

## (A) Equity share capital

Particulars	Notes	No. of shares	(₹)
Balance as at March 31, 2018		86,11,878	8,61,18,780
Changes in equity share capital during the year		-	-
<b>Balance as at March 31, 2019</b>	<b>8</b>	<b>8,611,878</b>	<b>86,118,780</b>

## (B) Other Equity

Particulars	Notes	(in ₹)					
		General Reserve	Securities Premium	Capital redemption reserve	Retained Earnings	Exchange Fluctuation Reserve	Total Other Equity
Balance as at March 31, 2017		299,848,078	8,800,000	0	(406,489,983)	92,284,712	(5,557,193)
Profit for the year		-	-	-	(856,282)	-	(856,282)
for the year		-	-	-	-	100	100
Less :Transferred to Capital Redemption reserve		70,000,000					
Add :Transferred from General Reserve				70,000,000			
As at March 31, 2018		<u>229,848,078</u>	<u>8,800,000</u>	<u>70,000,000</u>	<u>(407,346,265)</u>	<u>92,284,812</u>	<u>(6,413,376)</u>
Profit for the year		-	-	-	(10,447,134)	10,753	(10,436,381)
for the year		-	-	-	-	-	-
As at March 31, 2019	9	<u>229,848,078</u>	<u>8,800,000</u>	<u>70,000,000</u>	<u>(417,793,399)</u>	<u>92,295,565</u>	<u>(16,849,756)</u>

As per our Report of even date attached  
For **SACHIN PHADKE & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W

For and on behalf of the Board Of Directors

**SAJID MALIK**  
MANAGING DIRECTOR  
DIN No.00400366

**SAROJA MALIK**  
DIRECTOR  
DIN No.00400421

**SACHIN PHADKE**  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

**SUNIL PATEL**  
Company Secretary

**RAVI T R**  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

GI Engineering Solutions Limited (herein after referred as 'Company' or 'GIESL') is formed to provide Information Technology, Engineering Services and other related services.

The company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, Maharashtra.

The company has its Equity Shares listed on Bombay Stock Exchange and National Stock Exchange.

Authorisation of Financial Statements : The consolidated financial statements of the Group for the year ended March 31, 2019 were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on May 22, 2019

### 1. Significant Accounting Policies

#### A. Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind-AS) notified under section 133 of Companies Act, 2013 read with the relevant rules issued there under.

The Group's Financial statements are presented in Indian Rupees (₹), which is also its functional currency.

The Consolidated Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

recovered.

List of subsidiary considered in the consolidated financial statements:

Name of the Entity	Nature of Relationship	Country of Incorporation	Percentage Holding	
			As at 31.03.2019	As at 31.03.2018
Genesys Enterprises Inc.	Wholly owned Subsidiary	USA	100% *	100%

\* Refer note no.27

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

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to GI Engineering Solutions Limited, (the 'Company') and its subsidiary company. The consolidated financial statements have been prepared in accordance with the requirements of Ind AS 110, 'Consolidated Financial Statements' on the following basis:

- i) The financial statements of all entities used for the purpose of consolidate are drawn up to same reporting date as that of Parent company, i.e., year ended on March 31. When the end of reporting period of the Parent is different from that of subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
- ii) The financial statements of the Company and its subsidiary companies have been combined on a line by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## B. Use of Estimates and Judgments:

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

### Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that effect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the relevant notes

## C. Current / Non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the

Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

## D. Revenue recognition and expenses

Company earns revenue primarily from Information Technology, Engineering Services and other related services.

Effective April 1, 2018, Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018), which was not material. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(d) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The adoption of standard did not have any material impact on the financial statements of Company.

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where Company is standing ready to provide



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct third party hardware and / or software is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could

undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Company disaggregates revenue from contracts with customers by geography.

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses.

### **Interest Income:**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

### **Dividend Income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### **Other Income:**

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

## **E. Property, Plant and equipments**

### **(i) Tangible Assets**

Property, plant and equipment's(PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes directly attributable costs for bringing the assets to its present location and use.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets derecognized.

Particulars	Useful Life
(A) Tangible Assets	
Computer hardware (including servers & networks)	3 years
Imaging Systems	3 years
Other Assets	As per Useful Life specified in Schedule II

Depreciation / Amortization is charged on a pro-rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

Assets costing individually ₹ 5,000/- or less are fully depreciated in the year of purchase / installation.

Residual value is considered as Nil for all the assets.

## (ii) Intangible Assets

Purchases of intangible assets are capitalized at the acquisition price including directly attributable costs for bringing the asset into use, less accumulated amortization and impairment. Direct expenditure, if any, incurred for internally developed intangibles from which future economic benefits are expected to flow over a period of time is treated as intangible asset as per the Ind AS on Intangible Assets.

### Depreciation:

Depreciation on Intangible assets is provided on straight line method as per

the useful life prescribed in Schedule II of the Companies Act, 2013 except in case of following category of Intangible assets in which case the life of the items of Intangible assets has been assessed as under based on technical estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc.

(B) Intangible Assets	
- Computer software	3 years
- GIS database	3 years

Depreciation / Amortization is charged on a pro-rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

Assets costing individually ₹ 5,000/- or less are fully depreciated in the year of purchase / installation.

Residual value is considered as Nil for all the assets.

## F. Foreign Currency Transactions

All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year. Monetary assets and liabilities in the form of Loans, Current Assets and Current Liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences, are recognized in the Statement of Profit and Loss.

The premium or discount arising at the inception of the forward exchange contracts related to underlying receivables and payables, if any, are amortized as an expense or income recognized over the period of the contracts. Gains or losses on renewal or cancellation of foreign exchange

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

forward contracts are recognized as income or expense for the period.

Investments in overseas entity are recognized at the relevant exchange rates prevailing on the date of investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transactions took place. Net Gain / Loss in foreign currency transactions are

recognized in the Statement of Profit and Loss. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date.

### **Other Significant Accounting policies**

These are set out under "Significant Accounting Policies", given in the respective standalone financial statements of the Company point no. I to R and 2A of Recent Indian Accounting Standards (Ind AS).

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

**2 (a). Property, Plant and equipment**

Particulars						(in ₹)
	Computers	Furniture & Fictures	Office Equipments	Vehicles	Leasehold improvement	Total
<b>Gross Block</b>						
<b>As at April 01, 2017</b>	11,180,888	8,206,800	2,719,896	1,929,806	3,473,111	27,510,501
Additions	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
<b>As at March 31, 2018</b>	11,180,888	8,206,800	2,719,896	1,929,806	3,473,111	27,510,501
Additions	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>11,180,888</b>	<b>8,206,800</b>	<b>2,719,896</b>	<b>1,929,806</b>	<b>3,473,111</b>	<b>27,510,501</b>
<b>Depreciation</b>						
<b>As at April 01, 2017</b>	11,180,888	8,206,800	2,719,896	1,929,806	3,473,111	27,510,501
Charge for the year	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
<b>As at March 31, 2018</b>	11,180,888	8,206,800	2,719,896	1,929,806	3,473,111	27,510,501
Charge for the year	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>11,180,888</b>	<b>8,206,800</b>	<b>2,719,896</b>	<b>1,929,806</b>	<b>3,473,111</b>	<b>27,510,501</b>
<b>Net Block</b>						
As at March 31, 2018	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2 (b). Intangible Assets**

Particulars			(in ₹)
	Computer Software	Goodwill on consolidation and other intangible assets	Total
<b>Gross Block</b>			
<b>As at April 01, 2017</b>	273,558	16,310,186	16,583,744
Additions	-	-	-
Deductions	-	-	-
<b>As at March 31, 2018</b>	273,558	16,310,186	16,583,744
Additions	-	-	-
Deductions	-	-	-
<b>As at March 31, 2019</b>	<b>273,558</b>	<b>16,310,186</b>	<b>16,583,744</b>
<b>Depreciation</b>			
<b>As at April 01, 2017</b>	273,558	6,651,561	6,925,119
Charge for the year	-	-	-
Deductions	-	-	-
<b>As at March 31, 2018</b>	273,558	6,651,561	6,925,119
Charge for the year	-	-	-
Deduction : Impairment Loss transfered to Statement Profit and loss	-	9,658,625	9,658,625
<b>As at March 31, 2019</b>	<b>273,558</b>	<b>16,310,186</b>	<b>16,583,744</b>
<b>Net Block</b>			
As at March 31, 2018	-	9,658,625	9,658,625
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 3. Trade receivables

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
(Unsecured, Considered good at amortised cost)		
Others	29,697,758	29,517,808
Less : Allowance for doubtful debts	29,083,658	29,083,658
<b>Total Trade Receivables</b>	<b>614,100</b>	<b>434,150</b>

### 4. Cash and cash equivalents

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
i) Balance with banks		
In Current Accounts	531,848	207,341
ii) Cash on Hand	231	804
<b>Total Cash and Cash equivalents</b>	<b>532,079</b>	<b>208,145</b>

### 5. Loans Receivables

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Unsecured, considered good		
Loan to Other Body Corporates (Refer Note 25) and others	78,861,027	139,121,153
<b>Total Loans</b>	<b>78,861,027</b>	<b>139,121,153</b>

### 6. Current Tax Assets

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Advance Income Tax	1,529,362	1,492,112
(Net of Provision: ₹ 1,683,209 As at 31st March, 2018: ₹ 1,683,209)		
<b>Total Current Tax Assets</b>	<b>1,529,362</b>	<b>1,492,112</b>

### 7. Other Current Assets

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Unsecured, considered good		
Other Advances	1,410,319	1,349,684
<b>Total Other Current Assets</b>	<b>1,410,319</b>	<b>1,349,684</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 8. Share Capital

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Authorised</b>		
<b>Equity Share Capital</b>		
8,490,000,000 Equity Shares of ₹ 10/- each	<b>84,900,000,000</b>	84,900,000,000
<b>Preference Share Capital</b>		
10,000,000 Preference Shares of ₹ 10 each	<b>100,000,000</b>	100,000,000
<b>Issued Subscribed and Fully Paid-up Capital</b>		
8,611,878 Equity Shares of ₹ 10/- each	<b>86,118,780</b>	86,118,780
<b>Total</b>	<b>86,118,780</b>	86,118,780

Reconciliation of number of equity share outstanding as at the beginning and at the end of reporting period

Particulars	March 31, 2019		March 31, 2018	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	<b>8,611,878</b>	<b>86,118,780</b>	8,611,878	86,118,780
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>8,611,878</b>	<b>86,118,780</b>	8,611,878	86,118,780

The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share.

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.

During the period of five financial years immediately preceding the Balance Sheet date, the company has not:

- allotted any equity shares pursuant to any contract without payment being received in cash; and
- bought back any equity shares.

The details of shareholders holding more than 5% shares as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
<b>Equity Shares</b>				
Mrs.Saroja Malik	<b>1,691,716</b>	<b>19.64%</b>	1,691,716	19.64%
M/s. Kilam Holdings Limited	<b>1,378,405</b>	<b>16.01%</b>	1,378,405	16.01%
M/s. Fortune Private Equity, LLC	<b>1,100,000</b>	<b>12.77%</b>	1,100,000	12.77%

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

- (1) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;
- (2) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

### 9. Other Equity

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>SECURITIES PREMIUM RESERVE - Opening Balance</b>	<b>8,800,000</b>	8,800,000
Add: Receipt during the year	-	-
	<b>8,800,000</b>	8,800,000
<b>GENERAL RESERVE - Opening Balance</b>	<b>229,848,078</b>	299,848,077
Add: Transfer from Surplus	-	-
Less : Transferred to Capital Redemption Reserve	-	70,000,000
	<b>229,848,078</b>	229,848,077
<b>Capital Redemption Reserve - Opening balance</b>	70,000,000	-
Add : for the year		70,000,000
	<b>70,000,000</b>	<b>70,000,000</b>
<b>EXCHANGE FLUCTUATION RESERVE - Opening Balance</b>	92,284,812	92,284,712
Amount during the year	10,753	100
	<b>92,295,565</b>	<b>92,284,812</b>
<b>SURPLUS / (DEFICIT) - Opening Balance</b>	<b>(407,346,265)</b>	(406,489,983)
Add: Net loss after tax transferred from Statement of Profit and Loss	<b>(10,447,134)</b>	(856,282)
	<b>(417,793,399)</b>	(407,346,265)
Less: Appropriations:		
<b>SURPLUS / (DEFICIT) - Closing Balance</b>	<b>(417,793,399)</b>	(407,346,265)
<b>Total Other Equity</b>	<b>(16,849,756)</b>	(6,413,376)

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 10. Borrowings

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Short term borrowings	500,000	-
<b>Total Borrowings</b>	<b>500,000</b>	<b>-</b>

## 11. Trade Payables

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Trade Payables	918,591	993,013
<b>Total Trade payables</b>	<b>918,591</b>	<b>993,013</b>

Amount due to Micro, Small and Medium Enterprises :

- (a) There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) .
- (b) No interest is paid/payable during the year to any enterprise registered under the MSMED.
- (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

## 12. Other Current Financial Liabilities

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Current maturities of Long term debts	-	34,000,000
Other Liabilities		
Provision for expenses	1,271,987	1,302,987
Other payables	9,241,634	34,525,783
<b>Total Other Current Financial Liabilities</b>	<b>10,513,621</b>	<b>69,828,770</b>

## 13. Other Current Liabilities

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Statutory Liabilities	8,971	-
<b>Total Other Current Liabilities</b>	<b>8,971</b>	<b>-</b>



# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 14. Current Tax Liabilities

Particulars	(in ₹)	
	As at	
	March 31, 2019	March 31, 2018
Provision for Income Tax Net of Advance Tax ₹ 1,136,527 (As at 31st March, 2018: ₹ 1,136,527)	17,36,681	17,36,681
<b>Total Other Current Liabilities</b>	<b>17,36,681</b>	<b>17,36,681</b>

### 15. Revenue From Operations

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Revenue	525,000	222,750
<b>Total Revenue from Operations</b>	<b>525,000</b>	<b>222,750</b>

Refer note no.22 for disaggregate revenue by geography.

### 16. Other Income

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Exchange Gain (Net)	3,073	29
Miscellaneous Income	-	4,655
<b>Total Other Income</b>	<b>3,073</b>	<b>4,684</b>

### 17. Employee Benefit Expenses

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Salaries, Allowances and Bonus	323,000	32,024
Staff Welfare	2,000	2,000
Contribution to Provident Fund and Other Funds	972	1,222
<b>Total Employee Benefit Expenses</b>	<b>325,972</b>	<b>35,246</b>

### 18. Finance Costs

Particulars	(in ₹)	
	As at	
	2018-19	2017-18
Bank Charges	8,455	2,074
<b>Total Finance Costs</b>	<b>8,455</b>	<b>2,074</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

## 19. Other Expenses

Particulars	As at	
	2018-19	2017-18
Conveyance and Traveling	2,573	2,000
Meeting Expenses	15,300	10,000
Legal and Professional Fees	125,440	75,246
Communication Expenses	10,328	19,471
Electricity and Water Charges	5,000	5,000
Printing & Stationery	52,600	134,448
Custodial Fees	60,616	68,635
Listing Fees	539,999	450,000
Share Transfer Charges	67,395	95,912
Miscellaneous Expenses	77,904	160,684
Remuneration to Auditors		
- Statutory Audit	25,000	25,000
<b>Total Other Expenses</b>	<b>982,155</b>	<b>1,046,396</b>

## 20. Contingent Liabilities:

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Contingent Liabilities</b>		
Estimated amount of claims against the company not acknowledged as debts in respect of :	-	-
Disputed Income Tax Matters	1,816,017	1,816,017

## 21. Employee Benefits :

Post-employment benefits plans

### (a) Defined Contribution Plans –

In respect of the defined contribution plans, an amount of ₹ Nil (Previous Year: ₹ Nil) has been provided in the Profit & Loss account for the year towards employer share of PF contribution.

### (b) Defined Benefit Plans –

The Liability in respect of gratuity is determined for current year as per management estimate ₹ Nil (previous year ₹ Nil as per management estimate) carried out as at Balance Sheet date. Amount recognized in profit and loss account ₹ Nil (previous year ₹ Nil)

22. The Company operates only in single Primary Segment i.e. Engineering based services for the purpose of IND-AS 108 Segmental reporting.

- The Company operates only in one Primary Segment i.e. GIS based services for the purpose of IND AS – 108 Segmental reporting, hence disclosure as per IND AS 108 'Operating Segment' is not required.

# GI ENGINEERING SOLUTIONS LIMITED

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

- ii. The disclosure requirement for Secondary Segment as per the IND AS-108 is as under:

(in ₹)		
<b>SECONDARY SEGMENT (Geographical Segment based on Sales Continent viz)</b>		
	<b>2018-19</b>	2017-18
<b>Segment Revenue</b>		
Asia	<b>525,000</b>	222,750
<b>Total Revenue from Operations</b>	<b>525,000</b>	222,750

### 23. Disclosure requirements as per the, IND AS -24 “ Related Party Disclosure”.

List of Related Parties:-

- A. With whom no transaction during the year :-

**a. Key Management Personnel**

<b>Name of Personnel</b>	<b>Designation</b>
Mrs. Saroja Malik	Director
Mr.Ganapathy Vishwanathan	Independent Director
Mr.Ganesh Acharya	Independent Director
Mr.Sohel Malik	President - Genesys Enterprises Inc -USA

**b. Principal Shareholder**

M/s Kilam Holdings Ltd, Mauritius

**c. Associate Enterprises**

M/s. Valeo Nutra Private Limited

M/s Genesys International Corporation Limited

**B. With whom transaction made during the year :-**

**a. Key Management Personnel**

<b>Nature of Transactions</b>	<b>Designation</b>	(in ₹)
Loan received during the year	Managing Director	500000; (-)
Closing balance		500000; (-)
Remuneration to Key Managerial Personnel (Refer note iii below)	Company Secretary	122976; (-)
Closing balance		15372; (-)

- i) Figures in brackets are for the previous year.
- ii) There are no transactions with relative of Key Managerial Persons during the current and previous year
- iii) Remuneration to key managerial person does not include provision for gratuity and leave encashment which is determined for the Company as a whole

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

24. In accordance with the Ind AS – 12 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, details of deferred tax assets estimated by the Company is given below-

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Deferred Tax Assets</b>		
Fixed Assets (Depreciation/Amortization)	334,296	444,918
Provision for Doubtful Debts	7,561,751	8,986,850
<b>Total</b>	<b>7,896,047</b>	<b>9,431,768</b>
<b>Deferred Tax Liability</b>	-	-
<b>Net Deferred Tax (Liability)/Assets</b>	<b>7,896,047</b>	<b>9,431,768</b>

Deferred Tax Assets arising on account of fixed assets depreciation/amortization, provisions for employees' benefits and doubtful debts etc. are not recognized in the books in absence of virtual/reasonable certainty of future taxable income against which deferred tax assets can be set off.

25. Loans to other body corporate include :

(in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
Ekveera Marketing Pvt Ltd	1,138,950	22,238,950
Gopesh Impex Pvt Ltd	5,168,748	34,990,298
Saourav Impex Pvt Ltd	59,253,329	68,591,905
<b>Total</b>	<b>65,561,027</b>	<b>125,821,153</b>

Note : All the above loans are given for business purpose

26. Earnings per share:

(in ₹)

Particulars	As at	
	2018-19	2017-18
Weighted average number of shares used as denominator for calculating Basic earning per share	8,611,878	8,611,878
Weighted average number of shares used as denominator for calculating Dilutive earning per share	8,611,878	8,611,878
Net Profit / ( Loss ) after tax (₹)	(10,447,134)	(856,282)
Basic EPS (₹)	(1.21)	(0.10)
Diluted EPS (₹)	(1.21)	(0.10)
Nominal value of Shares (₹)	10	10

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

27. In view of the consent received from New York Secretary Department of State , Division of Corporations and State Records, Albany, NY, in response to wholly owned subsidiary company's voluntary dissolution application, the company has written off the value of its investment in the subsidiary company in its book. A provision to this effect was made in the books of the holding company in 2016-17 when the subsidiary company made application for the voluntary dissolution.

### 28. Exchange Differences

During the period realized and unrealized exchange loss amounting to ₹ 3073 (Previous Year: exchange loss of ₹29 ) is included in the profit and loss account.

### 29. Financial Instruments (Notes A & B attached)

#### A. The carrying value and fair value of financial instruments:

Particulars	(in ₹)			
	As at March 31, 2019		As at March 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivables (Refer Note 3)	614,100	614,100	434,150	434,150
Cash & Cash equivalents (Refer Note 4)	532,080	532,080	208,145	208,145
Loans (Refer Note 5)	78,861,027	78,861,027	139,121,153	139,121,153
<b>Total</b>	<b>80,007,207</b>	<b>80,007,207</b>	<b>139,763,448</b>	<b>139,763,448</b>
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings (Refer Note 10)	500,000	500,000	-	-
Trade Payables (Refer Note 11)	918,591	918,591	993,013	993,013
Other Financial Liabilities (Refer Note 12)	10,513,621	10,513,621	69,828,770	69,828,770
<b>Total</b>	<b>11,432,212</b>	<b>11,432,212</b>	<b>70,821,783</b>	<b>70,821,783</b>

#### B. Fair value measurements recognised in the statement of financial position:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>At Amortised Cost</b>						
Trade Receivables (Refer Note 3)	-	-	614,100	-	-	434,150
Cash & Cash equivalents (Refer Note 4)	-	-	532,080	-	-	208,145
Loans (Refer Note 5)	-	-	78,861,027	-	-	139,121,153
<b>Subtotal</b>	-	-	<b>80,007,207</b>	-	-	<b>139,763,448</b>
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings (Refer Note 10)	-	-	500,000	-	-	-
Trade Payables (Refer Note 11)	-	-	918,591	-	-	993,013
Other Financial Liabilities (Refer Note 12)	-	-	10,513,621	-	-	69,828,770
<b>Subtotal</b>	-	-	<b>11,432,212</b>	-	-	<b>70,821,783</b>

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, Trade receivables, Other current Financial assets, Trade payable and other current Financial liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.

## C. Financial risk management objectives:

### Financial risk Factor:

The Company's activities exposes it to a variety of financial risks : Market Risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers

#### 1. Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers. Credit risk is managed through credit approvals establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables and other financial assets.

#### 2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will all ways have sufficient liquidity to meets it liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to Company's reputation.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

### 3. Market Risk

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payable and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive in our foreign currency revenues and costs. The Company uses derivative to manage market risk.

### 30. Statement of Management

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent if any stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Statement of Profit & Loss and Cash Flow statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

### 31. Other Notes to Accounts

These are set out in the Notes to Accounts for the respective Ind AS financial statements of the Company and its Subsidiary Company

32. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements. Figures for the previous year have been re-grouped/ re-classified wherever necessary to conform to current year's presentation.

**As per our Report of even date attached  
For SACHIN PHADKE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 133898W**

**For and on behalf of the Board Of Directors**

**SACHIN PHADKE**  
(Proprietor)  
Membership No. 117084  
Date: May 22, 2019  
Place: MUMBAI

**SAJID MALIK**  
MANAGING DIRECTOR  
DIN No.00400366

**SAROJA MALIK**  
DIRECTOR  
DIN No.00400421

**SUNIL PATEL**  
Company Secretary

**RAVI T R**  
Chief Financial Officer

Date : May 22, 2019  
Place: MUMBAI

## GI ENGINEERING SOLUTIONS LIMITED

Registered Office: 73-A, SDF-III, SEEPZ, Andheri (E), Mumbai-400096

Website: [www.giesl.com](http://www.giesl.com); E-mail: [investors@giesl.com](mailto:investors@giesl.com)

CIN: L40109MH2006PLC163731

### BALLOT FORM

(in lieu of e-voting)

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name(s) of Joint-Holder(s), if any: \_\_\_\_\_

Folio No. / Client ID :

DP ID :

No. of Shares held : \_\_\_\_\_

I / We exercise my/our vote in respect of Resolution(s) to be passed for the business stated in the Notice convening the Annual General Meeting of the Company to be held on Thursday, September 26, 2019 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (ü) mark in the appropriate box below :

Resolution Number	Resolution	No of shares held by me	I / We assent to the Resolution FOR	I / We dissent to the Resolutions AGAINST
	<b>Ordinary business</b>			
1	Adoption of Accounts, Report of the Auditors and Directors thereon;			
2	Appointment of a director in place of Mrs. Saroja Malik, who retires by rotation and, being eligible, offers himself for re-appointment			
	<b>Special business</b>			
3	Re-appointment of Mr. Ganapathy Vishwanathan (DIN: 00400518) as Independent Director of the Company			
4	Re-appointment of Mr. Ganesh Acharya (DIN: 00702346) as Independent Director of the Company			

\_\_\_\_\_  
Signature of the member

Place:

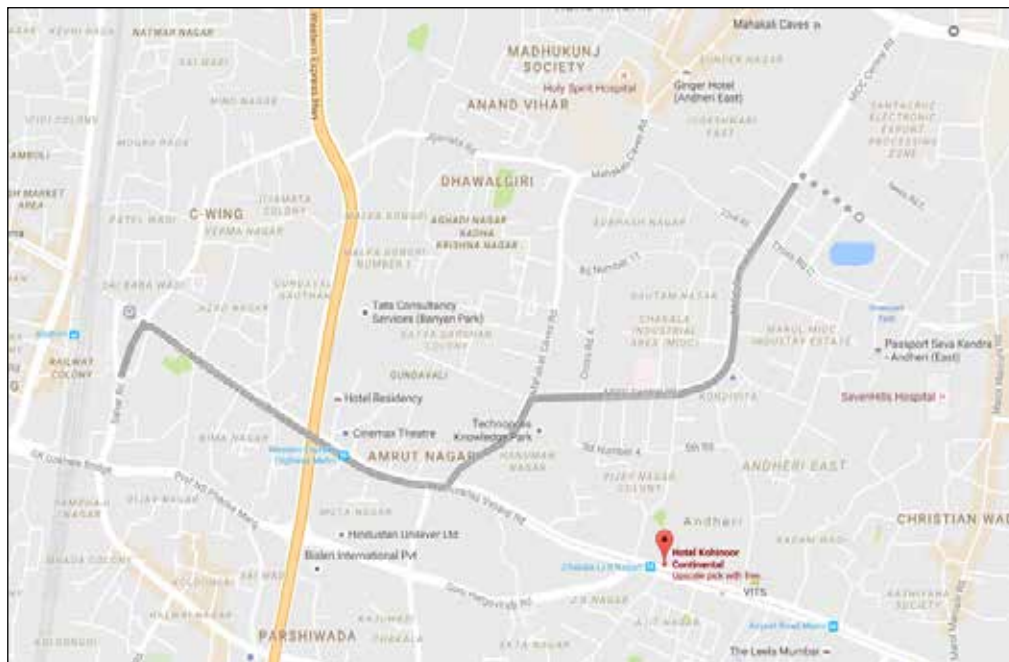


Date:

## INSTRUCTIONS

1. Members may fill up the Ballot Form and send it to DSM & Associates, Company Secretaries in Practice, the Scrutinizer at G-1, Awaas Apartment, Ground Floor, Pipe Line Road, Andheri – East, Mumbai-400 093 so as to reach on or before 5.00 pm on September 25, 2019. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes, i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/ Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for E-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company. ([www.giesl.com](http://www.giesl.com))

### ROUTE MAP FOR AGM LOCATION



#### Landmarks :

Nearest Bus Stop: J. B. Nagar

Metro Station: Chakala/ J.B. Nagar

**GI ENGINEERING SOLUTIONS LIMITED**

**Registered Office: 73-A, SDF-III, SEEPZ, Andheri (E), Mumbai-400096**

Ph: 022-44884488; Fax: 022-28290603

Website: [www.giesl.com](http://www.giesl.com) ; E-mail: [investors@giesl.com](mailto:investors@giesl.com)

CIN: L40109MH2006PLC163731

**PROXY FORM**

(pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail : \_\_\_\_\_

Folio No. / Client ID : 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID : 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail : \_\_\_\_\_

Signature : \_\_\_\_\_

or failing him / her

Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail : \_\_\_\_\_

Signature : \_\_\_\_\_

or failing him / her

Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail : \_\_\_\_\_

Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Thirteenth Annual General Meeting of the Company, to be held on the 26th day of September 2019 at 3.30 p.m. at Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400 059, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote		
		FOR	AGAINST	ABSTAIN
<b>Ordinary business</b>				
1	Adoption of Accounts, Report of the Auditors and Directors thereon			
2	Appointment of a director in place of Mrs. Saroja Malik, who retires by rotation and being eligible, seeks re-appointment			
<b>Special business</b>				
3	Re-appointment of Mr. Ganapathy Vishwanathan (DIN: 00400518) as Independent Director of the Company			
4	Re-appointment of Mr. Ganesh Acharya (DIN: 00702346) as Independent Director of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of the shareholder

\_\_\_\_\_  
Signature of the Proxy Holder (s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- A proxy need not be a member of the Company.
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Affix  
Revenue  
Stamp

**GI ENGINEERING SOLUTIONS LIMITED**

**Registered Office: 73-A, SDF-III, SEEPZ, Andheri (E), Mumbai-400096**

**Ph: 022-44884488; Fax: 022-28290603**

**Website: [www.giesl.com](http://www.giesl.com) ; E-mail: [investors@giesl.com](mailto:investors@giesl.com)**

**CIN: L40109MH2006PLC163731**

**ATTENDANCE SLIP**

(For physical holding)

Registered Folio No.																			
No. of shares held																			

(For demat holding)

Client ID																			
D.P. ID																			

I / we certify that I/ we, am/ are a Member / Proxy for the Member of the Company.

I hereby record my presence at the Thirteenth Annual General Meeting of the Company on the 26th day of September 2019 at 3.30 p.m. at Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400 059.

Members' / Proxy's Name in Block Letters:

---

Signature of Shareholder/ Proxy:

---

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual General Report to the meeting.











## **GI Engineering Solutions Limited**

73-A, SDF-III, SEEPZ, Andheri (East), Mumbai 400 096

Telephone: 91-22-4488 4488

Fascimile: 91-22-2829 0603

Web site: [www.giesl.com](http://www.giesl.com)