

GI Engineering Solutions Limited

ANNUAL | **2019-20**
REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|---|----------------------|
| Mr. Sajid Malik | Managing Director |
| Mrs. Saroja Malik | Director |
| Mr. Ganesh Acharya | Independent Director |
| Mr. Manish Patel (w.e.f. 11.02.2020) | Independent Director |
| Mr. Ganapathy Vishwanathan (upto 11.02.2020) | Independent Director |

CHIEF FINANCIAL OFFICER

Mr. Ravi T. Ramaswamy
(w.e.f. 24.04.2019 upto 05.08.2020)

COMPANY SECRETARY

Mr. Sunil Patel (w.e.f. 01.08.2019 upto 11.02.2020)
Ms. Astrid Lobo (w.e.f. 12.02.2020)

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
Email: 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

BANKERS

State Bank of India
HDFC Bank Ltd.

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NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of GI Engineering Solutions Limited will be held on Monday 28th Day of September, 2020 at 5:00 pm through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on account of outbreak of Covid 19 Pandemic and in accordance with the relevant circulars issued by Ministry of Corporate Affairs, 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 financial statements of the Company for the financial year ended March 31, 2020 together with the Reports of Board of Directors and Auditors thereon.

2. Re-appointment of Director 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. Appointment of Mr. Manish Patel (DIN: 03051315) as Independent Director of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force Mr. Manish Patel (DIN: 03051315), who was appointed as an Additional Director in the capacity of Independent Director of the Company with effect from February 11, 2020 for period of one year by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the 'Act') and who and being eligible for re-appointment 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 Companies Act, 2013 ("the Act") from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of

one year with effect from February 11, 2020 to February 10, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

4. Re-appointment of Mr. Manish Patel (DIN: 03051315), 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 re-enactment(s) thereof, for the time being in force), Mr. Manish Patel (DIN: 03051315), who was appointed as an Independent Director and who holds office of Independent Director up to February 10, 2021 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 February 11, 2021 to February 10, 2026."

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

Sd/-
Astrid Lobo
Company Secretary & Compliance Officer

Registered Office:
73A, SDF-III, SEEPZ,
Andheri (E), Mumbai - 400 096

Place: Mumbai
Dated: August 28, 2020

NOTES

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ('hereinafter collectively referred to as Circulars'), physical attendance of the Members at the Annual General Meeting (AGM) venue is not required and the AGM is being held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the Members will not be available. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting. The deemed venue for the 14th AGM shall be the Registered Office of the Company.
3. Pursuant to the Circulars, the Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the aforesaid Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-voting during the AGM will be provided by CDSL.
6. The Notice of the AGM has been uploaded on the website of the Company at www.giesl.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of CDSL i.e. www.evotingindia.com
7. Since the AGM will be held through VC/ OAVM facility, the route map, proxy form and attendance slip are not annexed in this Notice.
8. As per the provisions of section 72 of the Act, the facility of making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their respective Depository Participant in case the shares are held by them in electronic form and to the Company / RTA, in case the shares are held in physical form.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company / RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.

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10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is appended hereto.
11. A brief resume of Director, who seeks re-appointment as a Director, has also been appended hereto.
12. Pursuant to the Circulars, in view of the prevailing situation, there are difficulties in dispatching of physical copies of the Notice of the 14th AGM and the Annual Report for the financial year 2019-20 and therefore the same are being sent only by email to the Members whose email address is registered with the Company/Depositories. Members may note that the Notice of the 14th AGM and the Annual Report will also be available on the Company's website viz. www.giesl.com and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website CDSL i.e. www.evotingindia.com
13. Members who have not yet registered their email addresses are requested to register the same with their Depository participants in case the shares are held by them in electronic mode and with the Registrar & Share Transfer Agent (RTA) of the Company in case the shares are held by them in physical form. However, for limited purpose like receiving the notice of the forthcoming Annual General Meeting and related documents, Members holding shares in electronic mode may register their email addresses with our RTA as per the process given in the e-Voting instructions of the notes to this notice.
14. The Register of Members and Share Transfer Books of the Company will remain closed from, September 22, 2020 to, September 28 2020 (both days inclusive).
15. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@giesl.com.
17. Members are requested to send all communications relating to shares, change of address, etc. to the Registrar & Share Transfer Agent of the Company, at their address: M/s. BIGSHARE SERVICES PVT. LTD. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059 Tel. No.: 022 – 62638200, Fax.: 022 -62638299.
18. Members are requested to notify immediately any change in their addresses to the Registrar & Share Transfer Agent of the Company at the above address, if shares are held in physical form, and to the respective depository participants, if shares are held in electronic mode.
19. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
20. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address / stay abroad or demise of any Member as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
21. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, 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 Company.

22. Members desirous of obtaining any information/clarification(s), intending to raise any query concerning the financial statements/Annual Report of the Company, are requested to send the same at least 7 working days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at investors@giesl.com so that the same may be replied to suitably.
 23. Members desirous of obtaining any information/clarification(s), intending to raise any query concerning the financial statements/Annual Report of the Company, are requested to send the same at least 7 days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at investors@giesl.com so that the same may be replied suitably.
- B. A shareholder can opt for only one mode of voting i.e. remote e-voting or voting while attending AGM through VC/OAVM facility. In case a shareholder votes through remote e-voting as well as voting during AGM through VC/OAVM, the vote cast through remote e-voting shall be considered and the voting during AGM shall not be considered by the scrutinizer.
 - C. 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.
 - D. The Company has appointed M/s DSM & Associates, Company Secretaries in Practice (CP No 9394) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 - E. 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.
 - F. The result of voting will also be placed at the website of the Company viz. www.giesl.com and also on www.evotingindia.com.
 - G. The scrutinizer's decision on the validity of all kinds of voting will be final.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 14th 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. September 21, 2020 may cast their vote electronically.
- I. The remote e-voting period will commence at 9.00 a.m. on Friday September 25, 2020 and will end at 5.00 p.m. on Sunday, September 27, 2020. 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.

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| <p>II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at meeting</p> <p>III. The shareholders should log on to the e-voting website www.evotingindia.com.</p> <p>IV. Click on Shareholders.</p> <p>V. Now Enter your User ID</p> <p>a. For CDSL: 16 digits beneficiary ID,</p> <p>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</p> <p>c. Members holding shares in Physical Form should enter Folio Number registered with the Company.</p> <p>Or</p> <p>Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.</p> <p>VI. Next enter the Image Verification as displayed and Click on Login.</p> <p>VII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.</p> <p>VIII. If you are a first time user follow the steps given below:</p> | <p>• 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.</p> <p>Dividend Bank Details OR Date of Birth (DOB)</p> <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> <p>• 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.</p> |
| <p>PAN</p> <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> <p>• 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.</p> | <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 field. 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 any other person and take utmost care to keep your password confidential.</p> <p>XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>XII. Now select the Electronic Voting Sequence Number (EVSN) of "GI Engineering Solutions Limited" on which you choose to vote.</p> <p>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</p> |

“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. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from the internet. Please follow the instructions as prompted by the mobile app while remote e-voting from your mobile.
- I. 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 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.
- 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 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.
- II. 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 under “Help” section or write an email to helpdesk.evoting@cdslindia.com
- III. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice
- i) For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA’s email ID investors@giesl.com or investor@bigshareonline.com respectively.
- ii) For shareholders holding shares in dematerialised form - please provide Demat account details (CDSL- 16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of shareholder, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company / RTA’s email ID at investors@giesl.com or investor@bigshareonline.com respectively.
- iii) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid shareholders.
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM**
1. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

2. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.
3. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
4. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimise / mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 (seven) days in advance mentioning their name, demat account number/folio number, email ID, PAN no., mobile number at investors@giesl.com. Only those members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Shareholder may send their questions on investors@giesl.com 7 (seven) days prior to the meeting and same will be replied by the Company suitably.
7. Members desiring any relevant information on the accounts at the meeting are requested to write to the Company at least 7 days in advance of the date of meeting at its Registered Office, so as to enable the Company to keep the information ready.
8. Members who need assistance before or during the AGM, or 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, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.
9. All If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
10. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE MEETING

1. Procedure for e-Voting on the day of the AGM is same as the Remote e-voting as mentioned above.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are not otherwise barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.
4. Shareholders who have voted through Remote e-Voting facility will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

The following Explanatory Statement sets out all material facts relating to Resolution Nos. 3 and 4 of the notice:

Item No. 3 and 4:

As per the provisions of Section 149, 152, Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation'), the Company on recommendation of Nomination and Remuneration Committee and with approval of Board in its meeting held on February 11, 2020 had appointed Mr. Manish Patel (DIN: 03051315) as additional director in the capacity of Non executive Independent Directors on the Board of the Company for a period of one year w.e.f. February 11, 2020 subject to approval of members. Mr. Manish Patel holds office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto one year. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Manish Patel signifying his candidature as an Independent Director of the Company. Mr. Manish Patel one year term shall end on February 10, 2021 ("first term") and is 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. Manish Patel as Independent Director for a second term of five consecutive years effective from February 11, 2021. 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. Manish Patel would be beneficial to the Company. In the opinion of the Board, Mr. Manish Patel proposed to be appointed as Independent Director fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

Requisite notice under section 160 of the Act, proposing the re-appointment of Mr. Manish Patel as Independent Director for the second consecutive term of five years has been received by the Company. Mr. Manish Patel is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from Mr. Manish Patel that he meets 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 Director whose re-appointment as Independent Director is proposed at Item Nos. 3 and 4 forms part of this Notice. Copies of draft letters of appointment of Mr. Manish Patel setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Manish Patel is interested in the resolutions set out respectively at Item Nos. 3 and 4 of the Notice with regard to their respective appointment and re-appointment. The relatives of Mr. Manish Patel 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 Ordinary Resolution & Special Resolution set out in the Item Nos. 3 and 4 respectively 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**

Sd/-
Astrid Lobo
Company Secretary &
Compliance Officer

Registered Office:
73A, SDF-III, SEEPZ,
Andheri (E), Mumbai - 400 096

Place: Mumbai
Dated: August 28, 2020

GI ENGINEERING SOLUTIONS LIMITED

PROFILE OF DIRECTORS BEING APPOINTED/RE-APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and clause 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

| | | |
|---|---|--|
| Name of the Director | Mr. Manish Patel | Mrs. Saroja Malik |
| Nature of Resolution | Appointment and Re-appointment Non executive Independent Director | Re-appointment as Director who retires by rotation |
| Date of Birth | July 12, 1964 | September 28, 1937 |
| Date of appointment | February 11, 2020 | August 17, 2000 |
| Director Identification Number | 03051315 | 00400421 |
| Qualifications | B.E.(E&C), 1985, Dharwad, Karnataka University | B.Com., LL.B. |
| Expertise in specific functional areas | Project Management, System implementation for mid-sized fast growing organisations, creating business processes and services departments in diversified businesses | Legal compliance, Income Tax and Customs Regulations |
| Brief Profile | Professional and Strategic Leader with more than 3 decades of experience, most of which has been with setting up of green-field and brown-field projects. Possessing project conceptualisation, implementation and roll-out strategy for business processes, systems processes, systems, change management and business contingency plans and processes in multiple business domains including Realty, Automotive, Logistics, Telecom, IT, Retail, Plastics and Agriculture Industry. | Project Management, System implementation for mid-sized fast growing organisations, creating business processes and services departments in diversified businesses |
| Other Companies in which they are Directors excluding Directorship in Private and companies under Section 8 of the Companies Act, 2013 | <ol style="list-style-type: none"> 1. Aspect Management Services Private Limited 2. Aspectech International Development Research Foundation (section 8) 3. Genesys International Corporation Limited | <ol style="list-style-type: none"> 1. Genesys International Corporation Limited 2. Ventura Guaranty Limited |
| Chairman / Member of Committees of GI Engineering Solutions Limited | <p>Chairman: NIL</p> <p>Member: Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee</p> | <p>Chairman: Stakeholder Relationship Committee</p> <p>Member: Audit Committee and Nomination and Remuneration Committee</p> |

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| | | |
|--|--|---|
| Chairman / Member of Committees of Other Companies | NIL | Genesys International Corporation Limited Chairman: NIL Member: Stakeholders Relationship Committee, Executive Committee |
| Number of Equity Shares held in the Company | NIL | 16,91,716 |
| Non – executive Director remuneration drawn during the FY 2019 – 20 | NIL | NIL |
| Details of proposed Remuneration of non-executive director | NIL | NIL |
| Relationship between Directors | Not related to any other Director, Manager and Key Managerial Personnel. | Mrs. Saroja Malik is mother of Mr. Sajid Malik. |

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Fourteenth Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2020.

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, 2020 | March 31, 2019 |
| Income | 11.74 | 5.28 |
| Operating Profit/ (Loss) before Depreciation, Interest and Taxes | (3.59) | (7.88) |
| Profit/(Loss) before tax | (3.59) | (7.88) |
| Less: Current Tax | - | - |
| Profit (Loss) After Tax | (3.59) | (7.88) |

2. DIVIDEND

Due to loss incurred during the year, your directors regret their inability to recommend any dividend for the year ended March 31, 2020.

3. TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserve.

4. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 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.

The Company has not issued equity shares with differential rights as to dividend, voting or otherwise, sweat equity shares or any equity shares under Employee Stock Option Scheme during the year under review.

5. OPERATIONS

The Company continues to be engaged in the activities pertaining to Information Technology based Engineering Services and other related services. There was no change in nature of the business of the Company, during the year under review.

During the year under review, your Company achieved a total income of ₹ 11.74 Lakhs as compared to ₹ 5.28 Lakhs in the previous financial year. The Company incurred loss after tax of ₹ 3.59 Lakhs for the year compared to the loss after tax of ₹ 7.88 Lakhs for the previous year.

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

6. 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.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

8. SUBSIDIARY COMPANY

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

9. EXTRACT OF ANNUAL RETURN

In terms of the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in 'Form MGT-9' as on March 31, 2020 is annexed to this Report as “Annexure-A” and also available on the Company's website at <http://www.giesl.com/investors.html>.

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 Regulations 17, 17[A], 18, 19, 20, 21, 22, 23, 24,24[A], 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, 2020.

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 at the weblink: www.giesl.com.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Saroja Malik, Director of the Company retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.

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.

Owing pre-occupations, Mr. Ganapathy Vishwanathan tendered his resignation from the office of Non- Executive Independent Director of the Company with effect from the closure of business hours of February 11, 2020. There were no other material reasons for resignation.

The Board places on record its appreciation of the valuable contribution during his tenure.

Appointment of Mr. Manish Patel as Independent Director of the Company

Pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Manish Patel was appointed as an Additional Independent Director of the Company for period of one year with effect from February 11, 2020. The Board recommends the appointment of Mr. Manish Patel as Independent Director at the ensuing Annual General Meeting for a period of one year with effect from February 11, 2020 to February 10, 2021 and re-appointment for a second consecutive term of five years with effect from February 11, 2021 to February 10, 2026. Details relating to the appointment / re-appointment are annexed to the Notice under section 102 of the Companies Act, 2013. In the opinion of the Board of Directors, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the

conditions specified in the Companies Act, 2013 as well as the Rules made thereunder and are independent of the management.

Declarations by Independent Directors

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

None of the Directors disqualifies for appointment/re-appointment under Section 164 of the Companies Act, 2013.

Change in Company Secretary and Compliance Officer

Mr. Sunil Patel resigned as the Company Secretary and Compliance officer of the Company from the closure of business hours of February 11, 2020.

Ms. Astrid Lobo was appointed as the Company Secretary and Compliance officer and was designated as the Key Managerial Personnel of the Company with effect from February 12, 2020.

Appointment of Chief Financial Officer

Mr. Ravi .T. Ramaswamy was appointed as the Chief Financial officer and was designated as the Key Managerial Personnel of the Company with effect from April 24, 2019 and resigned from the closure of business hours of August 05, 2020.

14. PERFORMANCE EVALUATION OF THE BOARD

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 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

The Audit Report for the financial year 2019-20 does not contain any qualifications, reservations or adverse marks. The auditor's report is enclosed to the financial statements. There are no frauds reported by the auditors of the Company under sub section 12 of section 143 of the Companies Act, 2013 during the financial year under review.

c) 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, 2020. The Secretarial Audit Report forms part of this annual report as "Annexure - B".

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors and its committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

d) MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

e) INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY

Your Company's internal control systems and processes commensurate with scale of operations of the Business.

Periodical reviews are carried out by the Internal Auditors and are subject to assessment and trial to provide reasonable assurance as to reliable information & compliance. The Internal Audit Report submitted by the Internal Auditors, M/s. Akshay Tambe & Co. Chartered Accountants, Mumbai (Firm Registration No. 139942W) for the year under review is apprised by the Audit Committee and noted by the Board.

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 - C'.

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 particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in "Annexure - D" which forms part of 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, 2020, 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. April 24, 2019
2. May 22, 2019
3. August 14, 2019
4. August 26, 2019
5. November 14, 2019
6. February 11, 2020

The number of Board Meetings and the attendance of Directors as well as their attendance at the last AGM held on September 26, 2019 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 | 3 | 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 | 4 | No |
| Mr. Manish Patel** | Non-Executive Independent Director | - | NA |

*resigned w.e.f. February 11, 2020.

**appointed w.e.f. February 11, 2020.

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, five 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. April 24, 2019
2. May 22, 2019
3. August 14, 2019
4. November 14, 2019
5. February 11, 2020

The Gap between two meetings was not more than 3 months. The composition of Audit Committee and details of meetings attended by the Members thereof are as follows:

| Name of Directors | Status | No. of Meetings Attended |
|---------------------|----------|--------------------------|
| Mr. Ganesh Acharya* | Chairman | 3 |
| Mrs. Saroja Malik | Member | 5 |
| Mr. Manish Patel | Member | 5 |

*Mr. Ganesh Acharya was appointed as Chairman of Audit Committee w.e.f. February 11, 2020 and Mr. Ganapathy Vishwanathan was Chairman till February 11, 2020.

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer and representative of Statutory Auditor of the Company were invitees for all the audit committee meetings.

The then Chairman of the Audit Committee, Mr. Ganapathy Vishwanathan, was present at the Thirteenth Annual General Meeting held on September 26, 2019 to answer the shareholders' queries.

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 to which shareholders may send complaints/grievances.

During the financial year 2019-20, four meetings of the said committee were held on May 22, 2019; August 14, 2019; November 14, 2019 and February 11, 2020.

The composition of the Stakeholders' Relationship Committee and details of meetings attended by the members thereof in 2019-20 were as follows:

| Name of Directors | Status | No. of Meetings Attended |
|--------------------|----------|--------------------------|
| Mrs. Saroja Malik* | Chairman | 4 |
| Mr. Ganesh Acharya | Member | 3 |
| Mr. Manish Patel** | Member | NA |

**Mrs. Saroja Malik was appointed as Chairman of Stakeholder Relationship Committee w.e.f. February 11, 2020 and Mr. Ganapathy Vishwanathan was Chairman till February 11, 2020.*

***Mr. Manish Patel was appointed as a member w.e.f. February 11, 2020.*

The then Chairman of the Stakeholders' Relationship Committee Mr. Ganapathy Vishwanathan, was present at the Thirteenth Annual General Meeting of the Company held on September 26, 2019.

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, three meetings were held on April 24, 2019, May 22, 2019 and February 11, 2020.

The Composition of Nomination & Remuneration Committee and details of meeting attended by the Members thereof are as follows:

| Name of Directors | Status | No. of Meetings Attended |
|---------------------|----------|--------------------------|
| Mr. Ganesh Acharya* | Chairman | 1 |
| Mrs. Saroja Malik | Member | 3 |
| Mr. Manish Patel** | Member | NA |

**Mr. Ganesh Acharya was appointed as Chairman of Nomination and Remuneration Committee w.e.f. February 11, 2020 and Mr. Ganapathy Vishwanathan was Chairman till February 11, 2020.*

***Mr. Manish Patel was appointed as a member w.e.f. February 11, 2020.*

The then Chairman of the Nomination & Remuneration Mr. Ganapathy Vishwanathan, was present at the Thirteenth Annual General Meeting of the Company held on September 26, 2019.

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.

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. DISCLOSURE REGARDING INTERNAL COMPLAINTS COMMITTEE

Your company is not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as there are less than 10 employees in the company.

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 2019-20.

All Related Party Transactions are placed before the Audit Committee and 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 ₹ 94.50 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, 2020, 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, 2020 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 Directors acknowledges the efforts of its employees, at all levels, for their continued hardwork, dedication and commitment towards the growth of the Company.

The Directors also places on record continued support of its investors, clients, vendors, bankers and financial institutions during the year under review and look forward for the same in the years to come.

The Company also expresses its sincere gratitude to the Stock Exchanges, Regulatory Authorities, SEEPZ (SEZ) Authorities and all the government agencies for the continued support extended during the year 2019-20.

For and on Behalf of the Board of Directors

Sd/-
SAJID MALIK
MANAGING DIRECTOR
DIN: 00400366

Sd/-
SAROJA MALIK
DIRECTOR
DIN: 00400421

Place: Mumbai
Date: August 28, 2020

'ANNEXURE – A' TO THE DIRECTORS' REPORT

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[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 Contact No.: 022- 44884488 Email ID: investors@giesl.com |
| 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 : investor@bigshareonline.com |

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. | | | | NA | | |

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 | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| 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 |
| Sub-total (A)(1) | 2010711 | 0 | 2010711 | 23.35 | 2010711 | 0 | 2010711 | 23.35 | 0.00 |
| 2. Foreign | | | | | | | | | |
| 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 |
| Sub-total (A)(2) | 1384466 | 0 | 1384466 | 16.08 | 1384466 | 0 | 1384466 | 16.08 | 0.00 |
| Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 3395177 | 0 | 3395177 | 39.42 | 3395177 | 0 | 3395177 | 39.42 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| 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 |

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| 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 |
| Sub-Total (B)(1) | 0 | 4050 | 4050 | 0.05 | 0 | 4050 | 4050 | 0.05 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 287898 | 3385 | 291283 | 3.38 | 252510 | 3385 | 255895 | 2.97 | (0.41) |
| i. Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii. Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital upto ₹ 1 lakh | 2110862 | 18872 | 2129734 | 24.73 | 2097533 | 18822 | 2116355 | 24.57 | (0.16) |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1420069 | 0 | 1420069 | 16.49 | 1450227 | 0 | 1450227 | 16.84 | 0.35 |
| c) Others (specify) | | | | | | | | | |
| HUF | 185018 | 0 | 185018 | 2.15 | 177685 | 0 | 177685 | 2.06 | (0.09) |
| Clearing Member | 80 | 0 | 80 | 0.00 | 26114 | 0 | 26114 | 0.30 | 0.30 |
| 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 | 0 | 147 | 147 | 0.00 | 0 | 147 | 147 | 0.00 | 0.00 |
| Non Resident Indians | 73317 | 0 | 73317 | 0.85 | 73225 | 0 | 73225 | 0.85 | 0.00 |
| Sub-Total (B)(2) | 5190021 | 22630 | 5212651 | 60.53 | 5190021 | 22580 | 5212651 | 60.53 | 0.00 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 5190021 | 26680 | 5216701 | 60.58 | 5190021 | 26630 | 5216701 | 60.58 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | 8585198 | 26680 | 8611878 | 100.00 | 8585248 | 26630 | 8611878 | 100.00 | 0.00 |

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 | |
| Grand Total (A+B+C) | 8585198 | 26680 | 8611878 | 100.00 | 8585248 | 26630 | 8611878 | 100.00 | 0.00 |

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 |
| | Total | 3395177 | 39.42 | 0.00 | 3395177 | 39.42 | 0.00 | 0.00 |

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 |

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 |
| 1. | Fortune Private Equity LLC | | | | |
| | At the beginning of the year | 1100000 | 12.77 | 1100000 | 12.77 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 1100000 | 12.77 |
| 2. | Sushil Kumar Omprakash Agarwal | | | | |
| | At the beginning of the year | 135000 | 1.57 | 135000 | 1.57 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 135000 | 1.57 |
| 3. | Genesys Technologies Employee Welfare Trust through its trustee Ganapathy Vishwanathan | | | | |
| | At the beginning of the year | 96962 | 1.13 | 96962 | 1.13 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 96962 | 1.13 |
| 4. | Sasi Star Finance Pvt. Ltd. | | | | |
| | At the beginning of the year | 87650 | 1.02 | 87650 | 1.02 |
| | Date wise Increase/ Decrease in Share holding during the year: | NIL | | | |
| | At the End of the year | | | 87650 | 1.02 |
| 5. | Tushar K Mehta | | | | |
| | At the beginning of the year | 66937 | 0.78 | 66937 | 0.78 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 66937 | 0.78 |

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 |
| 6. | Rupan Mehta | | | | |
| | At the beginning of the year | 65000 | 0.75 | 65000 | 0.75 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 65000 | 0.75 |
| 7. | Renu Sushil Agarwal | | | | |
| | At the beginning of the year | 60000 | 0.70 | 60000 | 0.70 |
| | Date wise Increase/ Decrease in Share holding during the year: | NIL | | | |
| | At the End of the year | | | 60000 | 0.70 |
| 8. | Anil Kumar Joshi | | | | |
| | At the beginning of the year | 55707 | 0.65 | 55707 | 0.65 |
| | Date wise Increase/ Decrease in Share holding during the year: | NIL | | | |
| | At the End of the year | | | 55707 | 0.65 |
| 9. | Kruti Capital Services Pvt. Ltd. | | | | |
| | At the beginning of the year | 50000 | 0.58 | 50000 | 0.58 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 50000 | 0.58 |
| 10. | Vaziuddin M Alvi | | | | |
| | At the beginning of the year | 50000 | 0.58 | 50000 | 0.58 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | |
| | At the End of the year | | | 50000 | 0.58 |

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. | Mr. Sajid Malik - Managing Director | | | | |
| | 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 | | | |
| | At the End of the year | | | 318995 | 3.70 |
| 2. | Mrs. Saroja Malik - Director | | | | |
| | 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 | | | |
| | At the End of the year | | | 1691016 | 19.63 |
| 3. | Mrs. Saroja Malik – Director (holding jointly with Mr. Sajid Malik) | | | | |
| | 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 | | | |
| | At the End of the year | | | 700 | 0.00 |
| 4. | Mr. Ganapathy Vishwanathan - Independent Director | | | | |
| | 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 | | | |
| | At the End of the year | | | 293 | 0.00 |
| 5. | Mr. Ganesh Acharya - Independent Director | | | | |
| | 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 | | | |
| | At the End of the year | | | 12493 | 0.15 |

GI ENGINEERING SOLUTIONS LIMITED

| 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 |
| 6. | Mr. Manish Patel- Independent Director | | | | |
| | 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 | | | |
| | At the End of the year | | | 0 | 0.00 |
| 7. | Mr. Ravi T.R.- Chief Financial Officer | | | | |
| | 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 | | | |
| | At the End of the year | | | 0 | 0.00 |
| 8. | Ms. Astrid Lobo - Company Secretary | | | | |
| | 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 | | | |
| | At the End of the year | 0 | | 0 | 0.00 |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | - | - | - | - |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | NIL | 5,00,000 | NIL | 5,00,000 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | 94,50,000 | - | 94,50,000 |
| * Reduction | - | - | - | - |
| Net Change | NIL | 94,50,000 | NIL | 94,50,000 |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | - | - | - | - |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | NIL | 99,50,000 | NIL | 99,50,000 |

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. | Gross Salary | |
| | 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%ofprofit | NIL |
| | - others, specify | NIL |
| 5. | Others, please specify | |
| | Total (A) | NIL |
| | Ceiling as per the Act | 5% of Net Profits |

B. Remuneration to other Directors

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

*Mr. Ganapathy Vishwanathan resigned w.e.f 11.02.2020

**Mr. Manish Patel appointed w.e.f 11.02.2020

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** | Ms. Astrid Lobo Company Secretary*** | |
| 1. | Gross Salary | | | | |
| | a. Salary as per provisions contained in section 17(1) of the income-tax Act, 1961 | 1,54,776 | 3,40,000 | 91,452 | 5,86,228 |
| | b. Value of perquisites u/s 17(2) of Income-tax Act, 1961 | - | - | - | - |
| | c. Profits in lieu of Salary u/s 17(3) of Income-tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | - | - |
| | -as%ofprofit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total (C) | 1,54,776 | 3,40,000 | 91,452 | 5,86,228 |

* Resigned w.e.f. February 11, 2020.

** Appointed w.e.f. April 24, 2019. and resigned w.e.f August 5, 2020

***Appointed w.e.f. February 12, 2020.

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) |
|--------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER DIRECTORS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

'ANNEXURE - B' TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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: 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, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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, 2018: **Not Applicable to the Company during the Audit Period**

- (VI) For the other applicable laws our audit is limited to
- a) The Information Technology Act, 2000
 - b) The Special Economic Zone Act, 2005

- c) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- d) Payment of Bonus Act, 1965
- e) Payment of Gratuity Act, 1972

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

- (i) secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) 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:

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Due to the spread of contagious pandemic Covid-19 and consequent nationwide lockdown I could not verify certain secretarial records physically.
4. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
5. 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.
6. 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

Sd/-
Roy Jacob
(Proprietor)
(C.P. No.8220), (FCS No.9017)
UDIN: F009017B000625655
P.R No.686/2020

Place: Mumbai
Date: August 28, 2020

'ANNEXURE - C' TO 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 2019-20:

| 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 2019-20, 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 2019-20:

| Name of Directors | Remuneration for FY 2019-20 (₹ in Lacs) | % increase in Remuneration in FY 2019-20 |
|---|--|---|
| Sajid Malik, Managing Director | - | - |
| Saroja Malik, Director | - | - |
| Mr. Sunil Patel* Company Secretary & Compliance Officer | 1.55 | NA |
| Mr. Ravi T.R. Chief Financial Officer | 3.40 | NA |
| Ms. Astrid Lobo* Company Secretary & Compliance Officer | 0.91 | NA |

*Percentage increase in remuneration not reported as position was held for part of the financial year 2019-20.

iii. The percentage increase in the median remuneration of the employees of the Company for the Financial Year 2019-20 – NA

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

There were 2(two) permanent employees on the rolls of the Company as on March 31, 2020.

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.

'ANNEXURE - D' TO DIRECTORS' REPORT

DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy:

| | |
|---|---|
| Steps taken or impact on conservation of energy | The Company has not spent any substantial amount on Conservation of Energy to be disclosed here |
| Steps taken by the company for utilizing alternate sources of energy | |
| Capital investment on energy conservation equipments | |

(B) Technology absorption:

| | |
|---|--|
| Efforts made towards technology absorption | Considering the nature of activities of the Company, there is no requirement with regard to technology absorption. |
| Benefits derived like product improvement, cost reduction, product development or import substitution | |
| In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): | |
| • Details of technology imported | Nil |
| • Year of import | Not Applicable |
| • Whether the technology has been fully absorbed | Not Applicable |
| • If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | Not Applicable |
| Expenditure incurred on Research and Development | Nil |

(C) Foreign exchange earnings and Outgo:

| | April 01, 2019 to March 31, 2020 [Current F.Y.] | April 01, 2018 to March 31, 2019 [Previous F.Y.] |
|---|--|---|
| | Amount in ₹ | Amount in ₹ |
| Actual Foreign Exchange earnings | - | - |
| Actual Foreign Exchange outgo | - | - |

CERTIFICATE

(Under Clause 34(3) and 53(7) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from GI Engineering Solutions Limited having CIN L40109MH2006PLC163731 and having registered office at 73A SDF-III, SEEPZ, Andheri (East) Mumbai-400096 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Roy Jacob & Co**
Company Secretaries

Sd/-

(Roy Jacob)

Proprietor

(C.P. No.8220),

(FCS No.9017)

UDIN: F009017B000625611

P.R No.686/2020

Place: Mumbai

Date: 28th August, 2020

MANAGEMENT DISCUSSION AND ANALYSIS :

Industry Overview:

Over the last decade, the Engineering Service Industry has witnessed significant traction in India. Global industrial and construction firms are looking toward India for engineering requirements that are non-core in nature. Therefore, from the perspective of Indian economy, engineering services is the newer area of outsourcing following the prior success of ITO and BPO. The focus of the Indian engineering service sector is the large, rapidly growing export segment that caters to the offshore work from developed markets. On the other hand, India's domestic engineering expenditure is much smaller. Furthermore, the fraction of engineering work that is outsourced by Indian industrial and construction firms is much less compared to developed countries. 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. As per IBEF (India Brand Equity Foundation), services sector growth is governed by domestic and global factors. By end of 2023, India's IT and business services sector is expected to reach US\$14.3 billion with 8 per cent growth.

Opportunities and Threats:

Engineering Services outsourcing presents a tremendous opportunity for India. It is not only a significant revenue generator, but also places India on the global innovation map. Indian companies have developed necessary capabilities and skills by investing in technology platforms to leverage the opportunities. Attaining training and retaining talent will be a critical next step for India to maintain its current advantage.

While the nature of services offers huge opportunities, competition and present situation poses enormous challenge. The presence of consulting firms, national and multinational technology giants make it very

intense. The industry is expecting rapid changes that are affecting the competitive landscape, including divestitures and acquisitions that have resulted in consolidation within the industry. 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. Opportunities lie in increasing IT usage and adoption within the country in enhancing competitiveness of the Indian economy and the user community.

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. Technology obsolescence
2. High cost of resources.
3. Attracting and retention of talents
4. Foreign Exchange Fluctuation
5. Government policies
6. Political stability
7. Competition and customer acquisition.

Internal Control System and its adequacy:

The company has in place system and procedures to effectively control and monitor its business operations on an ongoing basis 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.

GI ENGINEERING SOLUTIONS LIMITED

Discussion on Financial Performance

| Ratios | FY 2019-20 | FY 2018-19 |
|------------------------------|------------|--------------|
| Debtors Turnover Ratio | 1.46 | 1.01 |
| Current Ratio | 4.00 | 6.05 |
| Operating Margin Ratio | (31.52%) | (152%) |
| Net Profit Margin | (30.58%) | (149%) |
| Return on Net Worth (RONW) | (0.52%) | (1.14%) |
| | | (₹ in lakhs) |
| Particulars | FY 2019-20 | FY 2018-19 |
| Average Debtors* | 7.83 | 5.24 |
| Turnover | 11.45 | 5.25 |
| Total Revenue | 11.74 | 5.28 |
| Current Assets (A) | 916.18 | 827.75 |
| Current Liabilities (B) | 228.80 | 136.78 |
| Net Current Assets (A) – (B) | 687.38 | 690.97 |
| Operating Profit/(Loss) | (3.61) | (7.97) |
| Net Profit/(Loss) | (3.59) | (7.89) |
| Net worth | 687.38 | 690.97 |

*Average Debtors = $\frac{\text{Opening Debtors} + \text{Closing debtors}}{2}$

Debtors turnover ratio has increased, due to increase in turnover compared to previous year.

Current ratio has decreased at the end of current year due to decrease in Net Current Asset compare to previous year.

Due to increase in revenue, Operating Margin Ratio has gone up.

Net profit margin has gone up due to increase in the revenue and there is reduction in interest cost.

ASSETS AND LIABILITIES

Assets:

Property Plant & Equipment

There was no addition in the gross block during FY 2019-20 and FY 2018-19 and Gross block as on March 31, 2020 was ₹ 440.94 lakhs (Previous year ₹ 440.94 lakhs). Net Block was Nil (Previous year Nil).

Current Assets

Trade receivables

Trade receivables (net of provisions) as on March 31, 2020, was at ₹ 9.52 lakhs as against ₹ 6.14 lakhs at the end of previous year.

Cash and cash equivalents

Cash and cash equivalents as on March 31, 2020, was at ₹ 1.94 lakhs as against ₹ 3.61 lakhs 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 Loan to Other body corporates.

As on March 31, 2020 stood at ₹ 875.11 lakhs as against previous year amount of ₹ 788.61 lakhs.

Current Tax Assets

Current Tax Assets comprises of Tax deducted at source, Self Assessment Tax, Net of provisions as at March 31, 2020 ₹ 16.24 lakhs as against previous year amount of ₹ 15.29 lakhs.

Other Current Assets

Other Current Assets consists of Other Advances as at March 31 2020 ₹ 13.37 lakhs as against previous year amount of ₹ 14.10 lakhs.

Liabilities:

Equity

During the year ended March 31 2020 there was no changes in the Equity Share capital.

Authorized Capital as on March 31, 2020, was: 84,900 lakhs Equity Shares of ₹ 10 each: Total of ₹ 849,000 lakhs 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 lakhs.

Other Equity

Other Equity has a debit balance as on 31st March 2020 of ₹ 173.80 lakhs as compared to debit balance of ₹ 170.21 lakhs at the end of 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.

The balances as on 31st March 2020 in General Reserve Account was ₹ 2,360.79 lakhs 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 lakhs. Capital redemption reserve was ₹ 700.00 lakhs which was same as balance at the end of previous year. As on 31st March 2020 debit balance of Profit & Loss Account stood at ₹ 3,322.59 lakhs compared to previous year's balance of ₹ 3,319.00 lakhs.

Current Liabilities

Current liabilities represent, Short term borrowings, Trade payable, Other Current Financial Liabilities, Other Current Liabilities and Current Tax Liabilities

Borrowings

Short term borrowing as on March 31, 2020, was at ₹ 99.50 lakhs as against ₹ 5.00 lakhs at the end of previous year.

Trade payables

Trade payables as on March 31, 2020, was at ₹ 21.81 lakhs as against ₹ 21.91 lakhs at the end of previous year.

Other Current Financial Liabilities:

Other Current Financial Liabilities represents Other payables as on March 31, 2020, was at ₹ 90.04 lakhs as against ₹ 92.42 lakhs at the end of previous year.

Current Tax Liabilities

Current tax liabilities as on March 31, 2020 was ₹ 17.37 lakhs, same as against balance as on March 31, 2019.

INCOME & EXPENDITURE

Income

During the year 2019-20, the Company recorded a total income of ₹ 11.74 lakhs as against ₹ 5.28 lakhs in the previous year 2018-19. The Company for the year has recorded a loss of ₹ 3.59 lakhs against previous year loss of ₹ 7.89 Lakhs.

Expenditure

The Company in current year incurred total operating cost of ₹ 15.33 lakhs, including depreciation, compared to previous year of ₹ 13.17 lakhs.

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 Financial Statements

Opinion

We have audited the accompanying financial statements of **GI ENGINEERING SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act of the state of affairs of the Company as at March 31, 2020, and its loss, 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 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.

Emphasis of Matter

We draw your attention to Note 32A to the financial statements which explain the uncertainties and

management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and condition related to the COVID-19 pandemic situation, for which definitive assessment of the impact would highly depend upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

We also draw your attention to Note 26 to the financial statements wherein the Company has given loans to other body corporates for business purposes to the tune of ₹ 7.42 crore outstanding as on the Balance Sheet date for which no interest provision is made in the Company's books and the same are recoverable in future as certified by the management.

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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In view of the lockdown pursuant to Covid-19 outbreak in India, our audit team have conducted the major part of the audit from remote location. As a result, we have relied completely on digital or electronic evidence as a part of our audit process effective from 20th March 2020 till the date of this report. Had we been physically present at the Company premises, we would have otherwise verified the physical copies of critical documents and we would have collected the audit evidence in physical copies.

Our response to the above is as follows:-

We have carried out the validation of the digital / electronic evidence provided by the management by understanding the process implemented by the management to convert physical documents into digital / electronic version and by getting representations from the management wherever necessary.

Further, in the backdrop of the Covid-19 outbreak in India and the world, the Company has enabled accesses to its IT systems from outside the office premises in a "Work from home" scenario effective

from 20th March 2020 till the date of this report. Adequate supervision over these IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.

Our response to the above is as follows:-

We have planned, designed and carried out the desired audit procedures and sample checks which in our opinion are adequate to provide reasonable assurance on the adequacy of IT controls in place. In addition, we have relied upon the report received from the Company's Internal Audit department which has specifically covered the transactions and controls implemented during the last 15 days of March 2020 when the period of lockdown was prevailing in India.

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 financial statements and our auditors' report thereon.

Our opinion on the 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 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 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 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 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 financial statements, including the disclosures, and whether the 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 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. Further to our comments in Annexure A as required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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 financial statements – Refer Note 21 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, 2020.
 - 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, 2020.

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

Sachin Phadke
Proprietor
Membership No.117084
UDIN:20117084AAAAAU1961

Place: Mumbai,
Date: 29 June, 2020

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief we report that:

- (i) (a) The Company has maintained proper records of its fixed assets.
- (b) 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) 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 Information Technology based Engineering Services and other related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register to be 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) 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, 2020 for a period of more than six months from the date they 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) 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 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
UDIN:20117084AAAAAU1961

Place: Mumbai,
Date: 29th June, 2020

ANNEXURE - B

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section 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")

We have audited the internal financial controls over financial reporting of GI Engineering Solutions Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the 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 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, 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 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, during our review except for the last 15 days of March 2020 when the period of lockdown was prevailing in India, we have relied upon the information and explanations provided to us and the report received from the Company's Internal Audit department which has specifically covered the transactions and controls implemented.

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

Sachin Phadke
(Proprietor)
Membership No.117084
UDIN:20117084AAAAAU1961

Place: Mumbai,
Date: 29th June, 2020

GI ENGINEERING SOLUTIONS LIMITED

BALANCE SHEET

AS AT MARCH 31, 2020

| Particulars | Note No. | March 31, 2020 ₹ | March 31, 2019 ₹ |
|-------------------------------------|----------|---------------------------|---------------------------|
| I. ASSETS | | | |
| 1) Non-Current Assets | | | |
| a) Property, Plant and Equipment | 3 (a) | - | - |
| b) Intangible Assets | 3 (b) | - | - |
| Total Non-Current Assets | | <u>-</u> | <u>-</u> |
| 2) Current Assets | | | |
| a) Financial Assets: | | | |
| Trade Receivables | 4 | 9,52,450 | 6,14,100 |
| Cash and cash equivalents | 5 | 1,93,849 | 3,60,570 |
| Loans | 6 | 8,75,11,027 | 7,88,61,027 |
| b) Current Tax Assets (Net) | 7 | 16,24,112 | 15,29,362 |
| c) Other Current Assets | 8 | 13,36,543 | 14,10,319 |
| Total Current Assets | | <u>9,16,17,981</u> | <u>8,27,75,378</u> |
| TOTAL ASSETS | | <u><u>9,16,17,981</u></u> | <u><u>8,27,75,378</u></u> |
| II. EQUITY AND LIABILITIES | | | |
| 1) Equity | | | |
| a) Share Capital | 9 | 8,61,18,780 | 8,61,18,780 |
| b) Other Equity | 10 | (1,73,80,323) | (1,70,21,265) |
| Total Equity | | <u>6,87,38,457</u> | <u>6,90,97,515</u> |
| Liabilities | | | |
| 2) Current Liabilities | | | |
| a) Financial Liabilities: | | | |
| Borrowings | 11 | 99,50,000 | 5,00,000 |
| Trade Payables | 12 | 21,81,139 | 21,90,577 |
| Other Current Financial Liabilities | 13 | 90,03,518 | 92,41,634 |
| b) Other Current Liabilities | 14 | 8,186 | 8,971 |
| c) Current Tax liabilities (Net) | 15 | 17,36,681 | 17,36,681 |
| Total Current Liabilities | | <u>2,28,79,524</u> | <u>1,36,77,863</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>9,16,17,981</u></u> | <u><u>8,27,75,378</u></u> |

III. Notes forming integral part of the Ind AS Financial Statements 1 to 33

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

SACHIN PHADKE
(Proprietor)
Membership No. 117084

Date: June 29, 2020
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN: 00400366

ASTRID LOBO
Company Secretary

Date : June 29, 2020
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN: 00400421

RAVI T R
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | Note No. | March 31, 2020 ₹ | March 31, 2019 ₹ |
|---|----------|---------------------|---------------------|
| I. Income | | | |
| Revenue from Operations | 16 | 11,45,000 | 5,25,000 |
| Other Income | 17 | 28,534 | 3,073 |
| Total Revenue | | 11,73,534 | 5,28,073 |
| II. Expenses | | | |
| Employee Benefit Expenses | 18 | 5,89,592 | 3,25,972 |
| Finance Costs | 19 | 1,896 | 8,455 |
| Depreciation and Amortization Expense | 3 | - | - |
| Other Expenses | 20 | 9,41,104 | 9,82,155 |
| Total Expenses | | 15,32,591 | 13,16,582 |
| III Profit / (Loss) before exceptional Items | | (3,59,057) | (7,88,509) |
| Less : Exceptional Items | | - | - |
| Investment in Subsidiary written off (Refer Note no.28) | | - | 26,82,34,232 |
| Provision for diminution in value of investment written back | | - | (26,82,34,232) |
| IV. Profit/(Loss) Before Tax | | (3,59,057) | (7,88,509) |
| V. Tax Expense: | | | |
| Current Tax | | - | - |
| Tax Adjustment for earlier years | | - | - |
| VI. Profit / (Loss) from continued operations after tax | | (3,59,057) | (7,88,509) |
| VII. Profit / (Loss) from discontinued operations | | - | - |
| VIII. Tax Expense of discontinued operations | | - | - |
| IX. Profit/(Loss) from Discontinued Operations after Tax | | - | - |
| Other Comprehensive Income for the year, net of tax | | - | - |
| X. Total Comprehensive income for the year, net of tax | | (3,59,057) | (7,88,509) |
| XI. EARNINGS PER EQUITY SHARE | 27 | | |
| Equity Shares of face value of ₹ 10 each | | | |
| Basic & Diluted - Before exceptional Items | | (0.04) | (0.09) |
| Basic & Diluted - After exceptional Items | | (0.04) | (0.09) |
| Number of shares used in computing earnings per share | | 86,11,878 | 86,11,878 |

XII The notes forming integral part of the Ind AS Financial Statements 1 to 33

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

SACHIN PHADKE
(Proprietor)
Membership No. 117084
Date: June 29, 2020
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN: 00400366

ASTRID LOBO
Company Secretary

Date : June 29, 2020
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN: 00400421

RAVI T R
Chief Financial Officer

GI ENGINEERING SOLUTIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | Note no. | March 31, 2020 ₹ | March 31, 2019 ₹ |
|--|-------------|---------------------|---------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax and extraordinary items | | (3,59,057) | (7,88,509) |
| Bank charges to consider separate below | | 1,896 | 8,455 |
| | | <u>1,896</u> | <u>8,455</u> |
| Operating Profit before working capital changes | | (3,57,161) | (7,80,054) |
| Adjusted for: | | | |
| Increase/(Decrease) in Borrowings | 94,50,000 | 5,00,000 | |
| (Increase)/Decrease in Trade Receivables | (3,38,350) | (1,79,950) | |
| (Increase) / Decrease in Loans | (86,50,000) | 6,02,60,126 | |
| (Increase) / Decrease in Other Assets | (20,974) | (97,885) | |
| Increase / (Decrease) in Financial liabilities | (2,47,554) | (5,93,15,151) | |
| Increase / (Decrease) in Other Current Liabilities | (785) | (65,448) | |
| | | <u>1,92,336</u> | <u>11,01,692</u> |
| Cash Generated from Operations | | <u>(1,64,825)</u> | <u>3,21,638</u> |
| Net Cash Flow from Operating Activities [A] | | <u>(1,64,825)</u> | <u>3,21,638</u> |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net Cash used in Investing Activities [B] | | - | - |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Bank charges | | (1,896) | (8,455) |
| Net Cash Flow from Financing Activities [C] | | <u>(1,896)</u> | <u>(8,455)</u> |
| Net Increase in Cash & Cash Equivalents [A+B+C] | | <u>(1,66,721)</u> | <u>3,13,183</u> |
| Cash & Bank Balance (Opening Balance) | 5 | <u>3,60,570</u> | <u>47,387</u> |
| Cash & Bank Balance (Closing Balance) | 5 | <u>1,93,849</u> | <u>3,60,570</u> |
| Cash & Bank balance comprise | | | |
| Cash in Hand | | 1,206 | 231 |
| Balance with Banks | | <u>1,92,643</u> | <u>3,60,339</u> |
| Cash & Bank Balance as at the end of the year | | <u>1,93,849</u> | <u>3,60,570</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

SACHIN PHADKE
(Proprietor)
Membership No. 117084
Date: June 29, 2020
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN: 00400366

ASTRID LOBO
Company Secretary

Date : June 29, 2020
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN: 00400421

RAVI T R
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(A) Equity share capital

| Particulars | Notes | No. of shares | (₹) |
|---|----------|------------------|--------------------|
| Balance as at April 1, 2018 | | 86,11,878 | 8,61,18,780 |
| Changes in equity share capital during the year | | - | - |
| Balance as at March 31, 2019 | | 86,11,878 | 8,61,18,780 |
| Changes in equity share capital during the year | | - | - |
| Balance as at March 31, 2020 | 9 | 86,11,878 | 8,61,18,780 |

(B) Other Equity

| Particulars | Notes | (in ₹) | | | | |
|------------------------------|-----------|---------------------|--------------------|----------------------------|-----------------------|----------------------|
| | | General Reserve | Securities Premium | Capital Redemption Reserve | Retained Earnings | Total Other Equity |
| Balance as at April 1, 2018 | | 23,60,79,105 | 88,00,000 | 7,00,00,000 | (33,11,11,861) | (1,62,32,756) |
| Profit / (Loss) for the year | | - | - | - | (7,88,509) | (7,88,509) |
| Add/(Less) Transfer to/from | | - | - | - | - | - |
| As at March 31, 2019 | | 23,60,79,105 | 88,00,000 | 7,00,00,000 | (33,19,00,370) | (1,70,21,265) |
| Profit / (Loss) for the year | | - | - | - | (3,59,057) | (3,59,057) |
| As at March 31, 2020 | 10 | 23,60,79,105 | 88,00,000 | 7,00,00,000 | (33,22,59,428) | (1,73,80,323) |

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

SACHIN PHADKE
(Proprietor)
Membership No. 117084
Date: June 29, 2020
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN: 00400366

ASTRID LOBO
Company Secretary

Date : June 29, 2020
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN: 00400421

RAVI T R
Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 June 29, 2020.

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 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 versus Non-current classification

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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 IT Based Engineering Services.

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.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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

Intangibles are stated 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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, 2020

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 (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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

rendering the service are classified as short term employee benefits and are recognized in 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.

Deffered 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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. 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") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

3 (a). Property, Plant and equipment

| Particulars | | | | (in ₹) |
|-----------------------------|-----------------|----------------------|-------------------|------------------|
| | Computers | Furniture & Fictures | Office Equipments | Total |
| Gross Block | | | | |
| As at March 31, 2019 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Additions | - | - | - | - |
| Deductions | - | - | - | - |
| As at March 31, 2020 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Depreciation | | | | |
| As at March 31, 2019 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Charge for the year | - | - | - | - |
| Deductions | - | - | - | - |
| As at March 31, 2020 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Net Block | | | | |
| As at March 31, 2019 | - | - | - | - |
| As at March 31, 2020 | - | - | - | - |

3(b). Intangible Assets

| Particulars | (in ₹) |
|-----------------------------|-------------------|
| | Computer Software |
| Gross Block | |
| As at March 31, 2019 | 2,73,558 |
| Additions | - |
| Deductions | - |
| As at March 31, 2020 | 2,73,558 |
| Depreciation | |
| As at March 31, 2019 | 2,73,558 |
| Charge for the year | - |
| Deductions | - |
| As at March 31, 2020 | 2,73,558 |
| Net Block | |
| As at March 31, 2019 | - |
| As at March 31, 2020 | - |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

4. Trade receivables

(in ₹)

| Particulars | As at | |
|--|-----------------|-----------------|
| | March 31, 2020 | March 31, 2019 |
| (Unsecured, Considered good at amortised cost) | | |
| Others | 3,00,36,108 | 2,96,97,758 |
| Less : Allowance for doubtful debts | 2,90,83,658 | 2,90,83,658 |
| Total Trade Receivables | 9,52,450 | 6,14,100 |

5. Cash and cash equivalents

(in ₹)

| Particulars | As at | |
|--|-----------------|-----------------|
| | March 31, 2020 | March 31, 2019 |
| i) Balance with banks | | |
| In Current Accounts | 1,92,643 | 3,60,339 |
| ii) Cash on Hand | 1,206 | 231 |
| Total Cash and Cash equivalents | 1,93,849 | 3,60,570 |

6. Loans

(in ₹)

| Particulars | As at | |
|---|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| Unsecured, considered good | | |
| Loan to Other Body Corporates (Refer Note 26) | 7,42,11,027 | 6,55,61,027 |
| Other Deposits | 1,33,00,000 | 1,33,00,000 |
| Total Loans | 8,75,11,027 | 7,88,61,027 |

7. Current Tax Assets

(in ₹)

| Particulars | As at | |
|---|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Advance Income Tax (Net of Provision ₹ 1,683,209 (As at 31st March, 2019: ₹1,683,209)) | 16,24,112 | 15,29,362 |
| Total Current Tax Assets | 16,24,112 | 15,29,362 |

8. Other Current Assets

(in ₹)

| Particulars | As at | |
|-----------------------------------|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Unsecured, considered good | | |
| Other Advances | 13,36,543 | 14,10,319 |
| Total Other Current Assets | 13,36,543 | 14,10,319 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

10. Share Capital

(in ₹)

| Particulars | As at | |
|--|------------------------|-----------------|
| | March 31, 2020 | March 31, 2019 |
| Authorised | | |
| Equity Share Capital | | |
| 8,49,00,00,000 Equity Shares of ₹ 10/- each | 84,90,00,00,000 | 84,90,00,00,000 |
| Preference Share Capital | | |
| 1,00,00,00,000 Preference Shares of ₹ 10 each | 10,00,00,000 | 10,00,00,000 |
| Issued Subscribed and Fully Paid-up Capital | | |
| 86,11,878 Equity Shares of ₹ 10/- each | 8,61,18,780 | 8,61,18,780 |
| Total | 8,61,18,780 | 8,61,18,780 |

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

| Particulars | March 31, 2020 | | March 31, 2019 | |
|--|------------------|--------------------|----------------|-------------|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 86,11,878 | 8,61,18,780 | 86,11,878 | 8,61,18,780 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 86,11,878 | 8,61,18,780 | 86,11,878 | 8,61,18,780 |

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, 2020 and March 31, 2019 are set out below:

| Particulars | As at | | As at | |
|----------------------------------|------------------|---------------|----------------|--------|
| | March 31, 2020 | | March 31, 2019 | |
| Equity Shares | | | | |
| Mrs. Saroja Malik | 16,91,716 | 19.64% | 16,91,716 | 19.64% |
| M/s. Kilam Holdings Limited | 13,78,405 | 16.01% | 13,78,405 | 16.01% |
| M/s. Fortune Private Equity, LLC | 11,00,000 | 12.77% | 11,00,000 | 12.77% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

10. Other Equity

| Particulars | As at | |
|---|-----------------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| SECURITIES PREMIUM - Opening Balance | 88,00,000 | 88,00,000 |
| Add: Receipt during the year | | |
| | 88,00,000 | 88,00,000 |
| GENERAL RESERVE - Opening Balance | 23,60,79,105 | 23,60,79,105 |
| Add: Transfer from Surplus | - | - |
| | 23,60,79,105 | 23,60,79,105 |
| CAPITAL REDEMPTION RESERVE - Opening | 7,00,00,000 | 7,00,00,000 |
| Add: Transfer from General Reserve | - | - |
| | 7,00,00,000 | 7,00,00,000 |
| SURPLUS / (DEFICIT) - Opening Balance | (33,19,00,370) | (33,11,11,861) |
| Add: Net loss after tax transferred from Statement of Profit and Loss | (3,59,057) | (7,88,509) |
| | (33,22,59,427) | (33,19,00,370) |
| Less: Appropriations: | | |
| SURPLUS / (DEFICIT) - Closing Balance | (33,22,59,427) | (33,19,00,370) |
| Total Other Equity | (1,73,80,323) | (1,70,21,265) |

11. Borrowings

| Particulars | As at | |
|----------------------|------------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Long term borrowings | 99,50,000 | 5,00,000 |
| Total Borrowings | 99,50,000 | 5,00,000 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

12. Trade Payables

(in ₹)

| Particulars | As at | |
|-----------------------------|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Trade Payables | 21,81,139 | 21,90,577 |
| Total Trade payables | 21,81,139 | 21,90,577 |

Amount due to Micro, Small and Medium Enterprises :

- 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).
- No interest is paid/payable during the year to any enterprise registered under the MSMED.
- 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.

13. Other Current Financial Liabilities

(in ₹)

| Particulars | As at | |
|--|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Other Liabilities | | |
| Other payables | 90,03,518 | 92,41,634 |
| Total Other Current Financial Liabilities | 90,03,518 | 92,41,634 |

14. Other Current Liabilities

(in ₹)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Statutory Liabilities | 8,186 | 8,971 |
| Total Other Current Liabilities | 8,186 | 8,971 |

15. Current Tax Liabilities

(in ₹)

| Particulars | As at | |
|--|------------------|------------------|
| | March 31, 2020 | March 31, 2019 |
| Provision for Income Tax (Net of Advance Tax ₹ 1,136,527 (As at 31st March, 2019: ₹ 1,136,527)) | 17,36,681 | 17,36,681 |
| Total Current Tax Liabilities | 17,36,681 | 17,36,681 |

16. Revenue From Operations

(in ₹)

| Particulars | 2019-20 | 2018-19 |
|--------------------------------------|------------------|-----------------|
| Revenue | 11,45,000 | 5,25,000 |
| Total Revenue from Operations | 11,45,000 | 5,25,000 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

17. Other Income

(in ₹)

| Particulars | 2019-20 | 2018-19 |
|---------------------------|---------------|--------------|
| Exchange Gain (Net) | 4,491 | 3,073 |
| Miscellaneous Income | 24,043 | - |
| Total Other Income | 28,534 | 3,073 |

18. Employee Benefit Expenses

(in ₹)

| Particulars | 2019-20 | 2018-19 |
|--|-----------------|-----------------|
| Salaries, Allowances and Bonus | 5,86,228 | 3,23,000 |
| Staff Welfare | 2,500 | 2,000 |
| Contribution to Provident Fund and Other Funds | 864 | 972 |
| Total Employee Benefit Expenses | 5,89,592 | 3,25,972 |

19. Finance Costs

(in ₹)

| Particulars | 2019-20 | 2018-19 |
|----------------------------|--------------|--------------|
| Bank Charges | 1,896 | 8,455 |
| Total Finance Costs | 1,896 | 8,455 |

20. Other Expenses

(in ₹)

| Particulars | 2019-20 | 2018-19 |
|-------------------------------|-----------------|-----------------|
| Conveyance and Traveling | 3,000 | 2,573 |
| Meeting Expenses | 25,075 | 15,300 |
| Legal and Professional Fees | 1,04,004 | 1,25,440 |
| Communication Expenses | 19,781 | 10,328 |
| Electricity and Water Charges | 6,500 | 5,000 |
| Printing & Stationery | 78,878 | 88,202 |
| Custodial Fee | 61,996 | 60,616 |
| Listing Fee | 5,40,001 | 5,39,999 |
| Share Transfer Charges | 36,036 | 67,395 |
| Miscellaneous Expenses | 40,833 | 42,302 |
| Remuneration to Auditors | | |
| - Statutory Audit | 25,000 | 25,000 |
| Total Other Expenses | 9,41,104 | 9,82,155 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

21. Contingent Liabilities:

(in ₹)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Contingent Liabilities | | |
| Estimated amount of claims against the company not acknowledged as debts in respect of : | | |
| Disputed Income Tax Matters | 18,16,017 | 18,16,017 |

22. 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)

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

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

(in ₹)

| SECONDARY SEGMENT (Geographical Segment based on Sales Continent viz) | | |
|---|------------------|-----------------|
| | 2019-20 | 2018-19 |
| Segment Revenue | | |
| Asia | 11,45,000 | 5,25,000 |
| Total Revenue from Operations | 11,45,000 | 5,25,000 |

24 Related party transactions:

List of Related Parties:-

A. With whom no transaction during the year :-

a. Wholly owned Subsidiary Company

Nil

b. Key Management Personnel

| Name of Personnel | Designation |
|-----------------------------|--|
| Mrs. Saroja Malik | Director |
| Mr. Ganesh Acharya | Independent Director |
| Mr. Ganapathy Vishwanathan | Till February 11, 2020 Non Executive Independent Director |
| Mr. Manish Chhaganlal Patel | W.e.f February 11, 2020 Additional Director- Non Executive Independent Director |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

c. Principal Shareholder

M/s Kilam Holdings Ltd, Mauritius

d. Associate Enterprises

M/s. Valeo Nutra Private Limited

B. With whom transaction made during the year :-

a. Key Management Personnel

| Name of Personnel | Designation |
|----------------------|--|
| Mr. Sajid Malik | Managing Director |
| Mr. Sunil Patel | Company Secretary (Till February 11, 2020) |
| Ms. Astrid Lobo | Company Secretary (From February 12, 2020) |
| Mr. Ravi T Ramaswamy | Chief Financial Officer |

Details of Transactions with related parties are as follows :

| Nature of Transactions | Designation | (in ₹) |
|---|-------------------------|--------------|
| Loan received during the year | Managing Director | 94,50,000 |
| | | (5,00,000) |
| Closing balance | | 99,50,000 |
| | | (5,00,000) |
| <u>Remuneration to Key Managerial Personnel</u> | | |
| (Refer note iii below) | | |
| For the year | Company Secretary | 2,48,380 |
| | | (1,22,976) |
| Closing balance | | 34,800 |
| | | (15,372) |
| For the year | Chief Financial Officer | 3,40,000 (-) |
| Closing balance | | 29,800 (-) |

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

- 25** 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, 2020 | March 31, 2019 |
| Deferred Tax Assets | | |
| Fixed Assets (Depreciation/Amortization) | 2,98,630 | 3,34,296 |
| Provision for Doubtful Debts | 75,61,751 | 75,61,751 |
| Total | 78,60,381 | 78,96,047 |
| Deferred Tax Liability | | |
| Net Deferred Tax (Liability)/Assets | 78,60,381 | 78,96,047 |

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.

- 26** Loans to other body corporate include :

(in ₹)

| Particulars | As at | |
|---------------------------|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| Ekveera Marketing Pvt Ltd | 11,38,950 | 11,38,950 |
| Gopesh Impex Pvt Ltd | 51,68,748 | 51,68,748 |
| Saourav Impex Pvt Ltd | 6,79,03,329 | 5,92,53,329 |
| Total | 7,42,11,027 | 6,55,61,027 |

Note : All the above loans are given for business purpose

- 27 Earnings per share:**

(in ₹)

| Particulars | 2019-20 | 2018-19 |
|--|------------|------------|
| Weighted average number of shares used as denominator for calculating Basic earning per share | 86,11,878 | 86,11,878 |
| Weighted average number of shares used as denominator for calculating Dilutive earning per share | 86,11,878 | 86,11,878 |
| Net Profit / (Loss) after tax (₹) | (3,59,057) | (7,88,509) |
| Basic EPS (₹) | (0.04) | (0.09) |
| Diluted EPS (₹) | (0.04) | (0.09) |
| Nominal value of Shares (₹) | 10 | 10 |

- 28.** 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 in the Previous year ended on March 31, 2019 in its books. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

29. Exchange Differences

During the period realized and unrealized exchange gain amounting to ₹ 4,490 (Previous Year: of ₹ 3,073) is included in the profit and loss account.

30. Financial Instruments

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

(in ₹)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | |
| <u>At Amortised Cost</u> | | | | |
| Trade Receivables (Refer Note 4) | 9,52,450 | 9,52,450 | 6,14,100 | 6,14,100 |
| Cash & Cash equivalents (Refer Note 5) | 1,93,849 | 1,93,849 | 3,60,570 | 3,60,570 |
| Loans (Refer Note 6) | 8,75,11,027 | 8,75,11,027 | 7,88,61,027 | 7,88,61,027 |
| | - | - | - | - |
| Total | 8,86,57,326 | 8,86,57,326 | 7,98,35,697 | 7,98,35,697 |
| Financial Liabilities | | | | |
| <u>At Amortised Cost</u> | | | | |
| Borrowings (Refer Note 11) | 99,50,000 | 99,50,000 | 5,00,000 | 5,00,000 |
| Trade Payables (Refer Note 12) | 21,81,139 | 21,81,139 | 21,90,577 | 21,90,577 |
| Other Financial Liabilities (Refer Note 13) | 90,03,518 | 90,03,518 | 92,41,634 | 92,41,634 |
| Total | 2,11,34,657 | 2,11,34,657 | 1,19,32,211 | 1,19,32,211 |

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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

(in ₹)

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------------------|---------|--------------------|----------------------|---------|--------------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| At Amortised Cost | | | | | | |
| Trade Receivables (Refer Note 4) | - | - | 9,52,450 | - | - | 6,14,100 |
| Cash & Cash equivalents (Refer Note 5) | - | - | 1,93,849 | - | - | 3,60,570 |
| Loans (Refer Note 6) | - | - | 8,75,11,027 | - | - | 7,88,61,027 |
| Subtotal | - | - | 8,86,57,326 | - | - | 7,98,35,697 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| Borrowings (Refer Note 11) | - | - | 99,50,000 | - | - | 5,00,000 |
| Trade Payables (Refer Note 12) | - | - | 21,81,139 | - | - | 21,90,577 |
| Other Financial Liabilities (Refer Note 13) | - | - | 90,03,518 | - | - | 92,41,634 |
| Subtotal | - | - | 2,11,34,657 | - | - | 1,19,32,210 |

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.

31. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

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.

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.

32. 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.

32A. Estimation of uncertainties relating to the global health pandemic from COVID-19

The company has assessed the impact of COVID- 19 on its operations as well as on its financial statements, including but not limited to the areas of valuation of the investment assets, valuation of the policy liabilities and solvency, for the year ended March 31, 2020. Based on the Company's current assessment of the business operations over next 12 months, the Company expects the above to remain satisfactory. Further, there have been no material changes in the controls or processes followed in the financial statement closing process of the company as at year end on account of lockdown conditions. The company will continue to closely monitor any further changes to the business and financial statements due to COVID-19 and other business related events and the definitive assessment of the impact would be highly dependent upon circumstances as they evolve in the subsequent period.

33. 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**

SACHIN PHADKE
(Proprietor)
Membership No. 117084

Date: June 29, 2020
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN: 00400366

ASTRID LOBO
Company Secretary

Date : June 29, 2020
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN: 00400421

RAVI T R
Chief Financial Officer

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