

GI ENGINEERING SOLUTIONS LIMITED

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

Tel No: 022-4488 4488, Fax No: 022-28290603

CIN: L40109MH2006PLC163731

Website: www.giesl.com; E-mail ID: investor@giesl.com

October 10, 2018

| | |
|--|--|
| BSE Limited Corporate Relationship Department P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 Ph : 22721233, Fax : 22723121/3719 | National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051 Ph : 26598235, Fax : 26598237/38 |
| Scrip Code : 533048 | Symbol : GISOLUTION |

Dear Sir,

Sub : Submission of Annual Report for Financial Year 2017-18 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, we are enclosing herewith 12th Annual Report of the company for the Financial Year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved by the members as per provisions of the Companies Act, 2013.

We request you to take the same on your record.

Thanking you,

Yours sincerely,

For GI Engineering Solutions Limited



Sunil Patel
Company Secretary &
Compliance Officer



GI Engineering Solutions Limited



ANNUAL REPORT 2017-18

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

SUBSIDIARY

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

COMPANY SECRETARY

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

BANKERS

State Bank of India
HDFC Bank Ltd.

AUDITORS

M/s. Sachin Phadke & Associates,
Chartered Accountants

REGISTERED OFFICE

73-A, SDF-III
SEEPZ, Andheri (East)
Mumbai 400 096
Telephone: 91-22-4488 4488
Facsimile: 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

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GI ENGINEERING SOLUTIONS LIMITED

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of GI Engineering Solutions Limited will be held on Thursday, September 27, 2018 at 3.30 p.m. at, Kohinoor Continental, Andheri – Kurla Road, Andheri (East), Mumbai-400 059, Maharashtra to transact the following business:

ORDINARY BUSINESS:

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

- To receive, consider and adopt the audited standalone financial statements of the Company as at March 31, 2018 and the Reports of the Auditors and Board of Directors thereon.
- To receive, consider and adopt the audited consolidated financial statements of the Company as at March 31, 2018 and the Reports of the Auditors thereon.

2. Re-appointment of Directors retiring by rotation:

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

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

Registered Office:

73A, SDF-III, SEEPZ,
Andheri (E), Mumbai - 400 096
Place: Mumbai
Dated: August 14, 2018

Sunil Patel
Company Secretary &
Compliance officer

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The instrument appointing a proxy, duly completed, must be deposited with the Company at its Registered Office not less than 48 hours before the time of commencement of the Meeting. A proxy form is enclosed herewith.
4. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Annual Report.
6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
8. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from September 21, 2018 to September 27, 2018 (both days inclusive) for the purpose of Annual General Meeting.
10. The members are requested to:
 - a) Intimate changes in their registered address, if any, to the Registrars, in respect of their holdings in physical form.
 - b) Notify immediately, any change in their registered address or Bank mandate, to their Depository Participants and not to the Company or Registrars, in respect of their holdings in electronic form.
11. Non-Resident Indian Shareholders are requested to inform the Company immediately:
 - a) Any change in residential status on return to India for permanent settlement
 - b) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
12. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making nominations may procure the prescribed Form SH-13 from the Registrar and Transfer Agent of the Company. Members holding shares in electronic form may contact their respective depository participants for availing the said facility.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
14. Disclosure pursuant to sub-regulation (3) of Regulation 36 of the SEBI (LODR) Regulations, 2015 with respect to the Directors seeking appointment / re-appointment at the forthcoming

Annual General Meeting is provided in the Report on Corporate Governance forming part of Annual Report.

15. As per SEBI amendment regulations dated 8th June, 2018, securities of listed companies can be transferred only in dematerialised form w.e.f. 5th December, 2018. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialize shares held by them in physical form.
16. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your E-mail Address with your Depository Participant to enable us to communicate with you via E-mail.
17. Copies of the Annual Report 2017-18 are being sent by electronic mode to all the members whose E-mail Addresses are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their E-mail Addresses, physical copies of the Annual Report 2017-18 are being sent by the permitted mode.
18. The Government took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its members through electronic mode. Accordingly, the Notice of the Twelfth Annual General Meeting and instructions for E-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all the members who's E-mail Addresses are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their E-mail Addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
19. Members may also note that the Notice of the Twelfth Annual General Meeting and the Annual Report 2017-18 will be available on the Company's website www.giesl.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business

hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investors@giesl.com.

20. Members desiring any information relating to Annual Accounts of the Company for the year ended March 31, 2018 are requested to write to the Company at least 5 days before the date of Annual General Meeting, so as to enable the management to keep information ready.
21. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

22. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub-regulation (1) of Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 12th Annual General Meeting (AGM) by Remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of the annual general meeting. Remote e-voting facility will be provided by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

- A. The shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date viz. Thursday, September 20, 2018 may cast their vote electronically.
- B. A shareholder can opt for only one mode of voting i.e. remote e-voting or voting through ballot or voting at venue of AGM. In case a shareholder votes through remote e-voting as well as sends his/ her vote through ballot form, the vote cast through remote e-voting shall be considered and the voting through physical ballot shall not be considered by the scrutinizer.

- C. The shareholders who have cast their votes either through remote e-voting or ballot shall be entitled to attend the meeting, however, shall not be allowed to cast their vote again at the venue of the annual general meeting.
- D. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
- E. The Company has appointed DSM & Associates, Practicing Company Secretaries (CP No. 9394), as the scrutinizer for conducting the e-voting process in a fair and transparent manner.
- F. The scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 (Three) days after the conclusion of the Annual General Meeting to the Chairman of the Company
- G. The voting results of annual general meeting shall be declared by the Chairman or his authorized representative or anyone Director of the Company on/ or after annual general meeting within the prescribed time limits.
- H. The result of voting will also be placed at the website of the Company viz. www.giesl.com and also on www.cdslindia.com.
- I. The scrutinizer's decision on the validity of all kinds of voting will be final.
- II. 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.
- III. The shareholders should log on to the e-voting website www.evotingindia.com.
- IV. Click on Shareholders / Members
- V. Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Next enter the Image Verification as displayed and Click on Login.
 - e. 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.

| | |
|--|--|
| PAN | 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). |
| Dividend Bank Details OR Date of Birth (DOB) | 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. 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. |

Instructions for Remote E-Voting

- I. The remote e-voting period will commence at 9.00 a.m. on Monday, September 24, 2018 and will end at 5.00 p.m. on Wednesday, September 26, 2018.

* Members who have not updated their PAN with the Company/ Depository Participant are requested to use first two characters of the first name and remaining eight digits from the sequence number. If the sequence number is

less than eight digit the remaining digits should be padded with the relevant number of zeroes (0) from the left. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.

CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; however, NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the number of shares held by you as on the cut-off date viz. Thursday, September 20, 2018 in the Dividend Bank details field.

- i. After entering these details appropriately, click on "SUBMIT" tab.
- ii. 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.
- iii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- iv. Now select the Electronic Voting Sequence Number (EVSN) of "Genesys International Corporation Ltd" on which you choose to vote.
- v. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the resolution and option "NO" implies that you dissent to the resolution.
- vi. Click on the "Resolutions File Link" if you wish to view the entire resolutions.
- vii. 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.

- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- ix. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- x. 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.

A. 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.co.in and register themselves as Corporates.
 - 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.
- C.** The voting period begins at 9.00 a.m. on Monday, September 24, 2018 and ends on 5.00 p.m., Wednesday, September 26, 2018. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 21, 2018, may cast their vote electronically. The remote e-voting

module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- D. 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

E. INSTRUCTIONS FOR VOTING THROUGH BALLOT

The Company is providing the facility of ballot form to those shareholders, who do not have access to remote voting in respect of the resolutions as set out in this notice. The ballot form with instructions is enclosed along with the Annual Report. The last date for receiving the ballot form will be Thursday, September 27, 2018 on or before 5.00 p.m. Ballot forms received after this date shall not be considered.

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

Detailed instructions for voting are provided in the ballot form.

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

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

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

Sunil Patel
Company Secretary &
Compliance Officer

Registered Office:
73A, SDF-III, SEEPZ,
Andheri (E), Mumbai - 400 096
Place: Mumbai
Dated: August 14, 2018

GI ENGINEERING SOLUTIONS LIMITED

PROFILE OF DIRECTORS BEING APPOINTED

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

| | |
|--|---|
| Name of the Director | Mrs. Saroja Malik |
| Nature of Resolution | Re-appointment as Director |
| Date of Birth | September 28, 1937 |
| Date of appointment | August 10, 2006 |
| Director Identification Number | 00400421 |
| Qualifications | B.Com., LL.B. |
| Brief Resume and Expertise in specific functional areas | Mrs. Saroja Malik has in-depth experience in Legal Compliance, Income Tax & Allied Matters and Custom Regulations. She has a flair for Office Administration. |
| Directorships held in other Companies | <ol style="list-style-type: none"> 1. Genesys International Corporation Limited 2. Ventura Guaranty Limited 3. Valeo Nutra Private Limited |
| Chairman / Member of Committees of Other Companies | Genesys International Corporation Ltd : Corporate Social Responsibility Committee- Member |
| Number of Equity Shares held in the Company | 16,91,716 |
| Relationship between Directors | Mrs. Saroja Malik is mother of Mr. Sajid Malik. |

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Twelfth Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2018.

1. FINANCIAL RESULTS

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

(₹ In Lakhs)

| Particulars | Standalone | |
|--|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Income | 2.28 | 2.20 |
| Operating Profit/ (Loss) before Depreciation, Interest and Taxes | (8.55) | (7.88) |
| Less: Diminution in the value of investment in wholly owned subsidiary | - | 2,682.35 |
| Profit/(Loss) before tax | (8.55) | (2,690.23) |
| Less: Current Tax | - | - |
| Profit (Loss) After Tax | (8.55) | (2,690.23) |

2. DIVIDEND

Due to loss incurred during the year, your directors regret their inability to recommend any dividend for the year ended March 31, 2018.

3. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was ₹ 8,61,18,780/- divided into 86,11,878 equity shares of ₹ 10/- each. During the year, the Company has redeemed 4.5% Redeemable Cumulative Preference Share Capital of ₹ 7,00,00,000/-. During the year under review, the Company has not issued any Shares.

4. OPERATIONS

During the year under review, on standalone basis your Company achieved a total income of ₹ 2.28 lakhs as compared to ₹ 2.20 lakhs in the previous financial year. The Company incurred loss after tax of ₹ 8.55 lakhs for the year compared to the loss after tax of ₹ 2,690.23 lakhs for the previous year.

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

5. DEPOSITS

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

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

7. SUBSIDIARY COMPANY

The Wholly Owned Subsidiary Company viz., Genesys Enterprises Inc., USA filed an application for voluntary dissolution with the Secretary of State of New York. In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company.

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

working hours upto the date of the Annual General Meeting.

8. EXTRACT OF ANNUAL RETURN

The details forming part of the extract Annual Return in Form MGT-9 is annexed herewith as “Annexure A”.

9. CONSOLIDATED FINANCIAL STATEMENTS

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

10. MANAGEMENT DISCUSSION AND ANALYSIS

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

11. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance requirements set out by SEBI. In compliance with Regulation 34(3) and Schedule V of SEBI (LODR) Regulations, 2015, report on the Corporate Governance, along with a certificate from the Statutory Auditors of the Company on compliance with the provisions is annexed and forms part of the Annual Report.

12. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Whistle blower mechanism in place to deal with instances of unethical behavior, fraud or mismanagement. The said policy has been explained in the Corporate Governance Report and also displayed on the Company’s website under the ‘Investors’ section at www.giesl.com.

13. DIRECTORS & KEY MANAGERIAL

PERSONNEL

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

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 25 of SEBI (LODR) Regulations, 2015.

The Company is continuing its efforts to appoint Company Secretary and Chief Financial Officer and hopes to fill up both the vacancies as soon as possible.

14. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (LODR) Regulations, 2015, 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. The manner in which the evaluation has been carried out is explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

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

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the financial year ended March 31, 2018.

c) INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY

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

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

d) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, M/s. Roy Jacob & Co., Practicing Company Secretaries (CP No. 8220), have been appointed to undertake the Secretarial Audit of the Company for the financial year ended on March 31, 2018. The Secretarial Audit Report forms part of this annual report as "Annexure B".

16. PARTICULARS OF EMPLOYEES

Managing Director does not receive any remuneration from the Company and the Company does not have employee drawing remuneration in excess of limits prescribed under section 197 read with Rule 5 of The

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the information under this Proviso and Rule is not being provided.

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

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

18. MEETINGS

During the year five Board Meetings and five Audit Committee Meetings were duly convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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 Remuneration Policy is explained in the Corporate Governance Report.

20. SEXUAL HARASSMENT

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

21. 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.

22. 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.

23. 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.

24. 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 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company during the financial year 2017-18.

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

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

25. 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, 2018, 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, 2018 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 provisions of all applicable laws and that such systems were adequate and operating effectively.

26. ACKNOWLEDGEMENT

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

For and on Behalf of the Board of Directors

SAJID MALIK
MANAGING DIRECTOR
(DIN: 00400366)

SAROJA MALIK
DIRECTOR
(DIN: 00400421)

Place: Mumbai
Date: May 30, 2018

ANNEXURE A TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---|--|
| i. | CIN | L40109MH2006PLC163731 |
| ii. | Registration Details | 10.08.2006 |
| iii. | Name of the Company | GI Engineering Solutions Limited |
| iv. | Category/ Sub-category of the Company | Company having Share Capital |
| v. | Address of the Registered office and contact details | 73-A, SDF-III, SEEPZ, Andheri (East), Mumbai-400096 |
| vi. | Whether listed company | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059. Telephone : +91-22-6263 8200 Fax : +91-22-6263 8299 E-mail : 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. | M/s Genesys Enterprises Inc., USA. | 108, Corporate Park Drive, Suite 211, White Plains, New York 10604. | Foreign Company | Subsidiary Company | 100.00 | 2(87) |

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 Sharehold-ing | | | | | | | | | |
| 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 |

ANNUAL REPORT 2017-18

| 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. | 353014 | 3385 | 356399 | 4.14 | 321529 | 3385 | 324914 | 3.77 | (0.37) |
| i. Indian | | | | | | | | | |
| ii. Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital upto ₹ 1 lakh | 2236141 | 18997 | 2255138 | 26.19 | 2216705 | 19172 | 2235877 | 25.96 | (0.22) |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1317787 | 0 | 1317787 | 15.30 | 1368993 | 0 | 1368993 | 15.90 | 0.60 |
| c) Others (specify) | | | | | | | | | |
| Clearing Member | 1820 | 0 | 1820 | 0.02 | 600 | 0 | 600 | 0.01 | (0.01) |
| Independent Directors & their Relatives | 12777 | 201 | 12978 | 0.15 | 12777 | 201 | 12978 | 0.15 | 0.00 |
| OCB | 1100000 | 25 | 1100025 | 12.77 | 1100000 | 25 | 1100025 | 12.77 | 0.00 |
| Trusts | 96962 | 147 | 97109 | 1.13 | 96962 | 147 | 97109 | 1.13 | 0.00 |
| Non Resident Indians | 71395 | 0 | 71395 | 0.83 | 72155 | 0 | 72155 | 0.84 | 0.01 |
| Sub-Total (B)(2) | 5189896 | 22755 | 5212651 | 60.53 | 5189721 | 22930 | 5212651 | 60.53 | 0.00 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 5189896 | 26805 | 5216701 | 60.58 | 5189721 | 26980 | 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 |
| Grand Total (A+B+C) | 8585073 | 26805 | 8611878 | 100.00 | 8584898 | 26980 | 8611878 | 100.00 | 0.00 |

GI ENGINEERING SOLUTIONS LIMITED

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 | As on Date | 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 | 01.04.2017 | 1100000 | 12.77 | 1100000 | 12.77 |
| | Date wise Increase/ Decrease in Share holding during the year | | NIL | | | |
| | At the End of the year | 31.03.2018 | - | - | 1100000 | 12.77 |
| 2. | Sushil Kumar Omprakash Agarwal | | | | | |
| | At the beginning of the year | 01.04.2017 | 45000 | 0.52 | 45000 | 0.52 |
| | Date wise Increase/ Decrease in Share holding during the year | 16.03.2018 | | | 90000 | 1.05 |
| | At the End of the year | 31.03.2018 | - | - | 135000 | 1.57 |
| 3. | Genesys Technologies Employee Welfare Trust through its trustee Ganapathy Vishwanathan | | | | | |
| | At the beginning of the year | 01.04.2017 | 96962 | 1.13 | 96962 | 1.13 |
| | Date wise Increase/ Decrease in Share holding during the year | | NIL | | | |
| | At the End of the year | 31.03.2018 | - | - | 96962 | 1.13 |
| 4. | Uma Agarwal | | | | | |
| | At the beginning of the year | 01.04.2017 | 90000 | 1.04 | 90000 | 1.04 |
| | Date wise Increase/ Decrease in Share holding during the year | 16.03.2018 | | | (90000) | (1.04) |
| | At the End of the year | 31.03.2018 | - | - | 0 | 0.00 |

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| Sr No. | For Each of the Top 10 Shareholders | As on Date | 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 |
| 5. | Tushar K Mehta | | | | | |
| | At the beginning of the year | 01.04.2017 | 66937 | 0.78 | 66937 | 0.78 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | | |
| | At the End of the year | 31.03.2018 | - | - | 66937 | 0.78 |
| 6. | Rupan Mehta | | | | | |
| | At the beginning of the year | 01.04.2017 | 65000 | 0.75 | 65000 | 0.75 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | | |
| | At the End of the year | 31.03.2018 | - | - | 65000 | 0.75 |
| 7. | Sasi Star Finance Pvt. Ltd. | | | | | |
| | At the beginning of the year | 01.04.2017 | 78000 | 0.91 | 78000 | 0.91 |
| | Date wise Increase/ Decrease in Share holding during the year | 02.06.2017 | | | 9650 | 0.11 |
| | At the End of the year | 31.03.2018 | - | - | 87650 | 1.02 |
| 8. | Renu Sushil Agarwal | | | | | |
| | At the beginning of the year | 01.04.2017 | 60000 | 0.70 | 60000 | 0.70 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | | |
| | At the End of the year | 31.03.2018 | - | - | 60000 | 0.70 |
| 9. | Anil Kumar Joshi | | | | | |
| | At the beginning of the year | 01.04.2017 | 55707 | 0.65 | 55707 | 0.65 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | | |
| | At the End of the year | 31.03.2018 | - | - | 55707 | 0.65 |

| Sr No. | For Each of the Top 10 Shareholders | As on Date | 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 |
| 10. | Kruti Capital Services Pvt Ltd. | | | | | |
| | At the beginning of the year | 01.04.2017 | 50000 | 0.58 | 50000 | 0.58 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | | |
| | At the End of the year | 31.03.2018 | - | - | 50000 | 0.58 |
| 11. | Vaziuddin M Alvi | | | | | |
| | At the beginning of the year | 01.04.2017 | 50000 | 0.58 | 50000 | 0.58 |
| | Date wise Increase/ Decrease in Share holding during the year | NIL | | | | |
| | At the End of the year | 31.03.2018 | - | - | 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.) | - | - | 0 | 0.00 |
| | 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.) | - | - | 0 | 0.00 |
| | At the End of the year | - | - | 1691016 | 19.63 |

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 |
| | | | | | |
| 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.) | - | - | 0 | 0.00 |
| | 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.) | - | - | 0 | 0.00 |
| | At the End of the year | - | - | 293 | 0.00 |
| | | | | | |
| 5. | 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.) | - | - | 0 | 0.00 |
| | At the End of the year | - | - | 12493 | 0.15 |

V. INDEBTEDNESS

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

| | Secured Loans excluding de- posits | Unsecured Loans | Deposits | Total Indebt- edness |
|--|--|--------------------|------------|-------------------------|
| 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) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | - | - | - |
| * Reduction | - | - | - | - |
| Net Change | | | | |
| Indebtedness at the end of the fi- nancial year | | | | |
| iv. Principal Amount | - | - | - | - |
| v. Interest due but not paid | - | - | - | - |
| vi. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

| Sr No. | Particulars of Remuneration | Managing Director Sajid Malik |
|-----------|--|----------------------------------|
| 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 % of profit | NIL |
| | - others, specify | NIL |
| 5. | Others, please specify | |
| | Total (A) | NIL |
| | Ceiling as per the Act | 5% of Net Profits |

GI ENGINEERING SOLUTIONS LIMITED

B. Remuneration to other Directors

| Sr No. | Particulars of Remuneration | Name of Directors | | Total Amount |
|--------|---|-------------------------------|-----------------------|--------------|
| 1 | Independent Directors | Ganapathy Vishwanathan | Ganesh Acharya | |
| | • Fee for attending Board/ Committee meetings | NIL | NIL | NA |
| | • Commission | NIL | NIL | NA |
| | • Others, please specify | NIL | NIL | NA |
| | Total (1) | NIL | NIL | NA |
| 2 | Other Non-Executive Directors | Saroja Malik | | |
| | • Fee for attending Board/ Committee meetings | NIL | | NA |
| | • Commission | NIL | | NA |
| | • 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 | | |

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

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

D. 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 THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

GI Engineering Solutions Limited

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

Company has not appointed Company Secretary and Chief Financial Officer in compliance with the provisions of Section 203(4) of the Act.

- (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, 2009: **Not Applicable to the Company during the Audit Period**
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014: **Not Applicable to the Company during the Audit Period**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable to the Company during the Audit Period**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable to the Company during the Audit Period**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable to the Company during the Audit Period**

- (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

Not complied with Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations in respect of Appointment of Company Secretary.

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, Service Tax, Value Added 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 sales Tax, Wealth Tax, Value Added 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. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
4. 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.
5. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Place: Mumbai
Date : May 20, 2018

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

CORPORATE GOVERNANCE REPORT

The report containing details of Corporate Governance systems and processes of GI Engineering Solutions Limited (hereinafter referred to as "the Company") in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. The Company is committed to sound corporate practices based on openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

2. BOARD OF DIRECTORS

I. Composition

The Board of Directors has an ideal combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015. The present Board comprises of four (4) Directors one of whom is Executive Director being the Managing Director and other three Non-Executive Directors two of which are Independent Directors. The Company is in compliance with the requirements relating to composition of Board of Directors, in line with Regulation 27 of SEBI (LODR) Regulations, 2015.

Details pertaining to the composition of Board of Directors with position held, number of other directorships and Committee Memberships, numbers of Equity Shares held as on March 31, 2018, relationship with other Directors etc. are given below:

| Name of the Directors | Category | No. Of Equity Shares of Face Value of ₹ 10/- each held as on March 31, 2018 | Number of Directorship(s) held in other Public Limited Companies as on March 31, 2018* | Number of Committee(s) position held in other Companies as on March 31, 2018** | |
|---|---|---|--|--|----------|
| | | | | Member | Chairman |
| Mr. Sajid Malik DIN: 00400366 | Managing Director - Promoter Group | 3,18,995 | 5 | NIL | NIL |
| Mrs. Saroja Malik DIN: 00400421 | Non-Executive Director - Promoter Group | 16,91,716# | 2 | NIL | NIL |
| Mr. Ganapathy Vishwanathan DIN: 00400518 | Non-Executive Independent Director | 293 | 3 | NIL | 2 |
| Mr. Ganesh Acharya DIN: 00702346 | Non-Executive Independent Director | 12,493 | 2 | 1 | 2 |

Mr. Sajid Malik being the son of Mrs. Saroja Malik, both Mr. Sajid Malik and Mrs. Saroja Malik are related to each other.

*Directorships in associations, private, foreign and Section 8 companies have not been considered.

**Represents Chairmanships/Memberships of Audit Committee and Stakeholders' Relationship Committee excluding GI Engineering.

#Include 700 Shares held jointly by Mrs. Saroja Malik with Mr. Sajid Malik.

II. BOARD FUNCTIONING & PROCEDURE

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, 2018, Five Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

1. May 30, 2017
2. August 21, 2017
3. September 14, 2017
4. November 21, 2017
5. February 14, 2018

The number of Board Meetings and the attendance of Directors as well as their attendance at the last AGM held on September 28, 2017 are as mentioned below :-

| Name of Directors | Designation | No. of Board Meetings attended out of 5 Meetings held | Attendance at last AGM |
|----------------------------|------------------------------------|---|------------------------|
| Mr. Sajid Malik | Managing Director | 5 | Yes |
| Mrs. Saroja Malik | Non-Executive Director | 5 | Yes |
| Mr. Ganapathy Vishwanathan | Non-Executive Independent Director | 5 | Yes |
| Mr. Ganesh Acharya | Non-Executive Independent Director | 5 | No |

III. INDEPENDENT DIRECTORS

The Company has complied with provisions of Listing Agreement read with SEBI (LODR) Regulations, 2015 and provisions of Section 149(6) of the Companies Act, 2013 with respect to appointment of Independent Directors. The

Company has also received declarations from all Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

a. Meeting of Independent Directors

The Independent Directors met once in a year without the presence of non-independent directors. The matters considered and discussed thereat, inter alia, include those prescribed under Schedule IV to the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015.

b. Familiarisation Programme

The familiarisation Programme aims to provide insight to the Independent Directors to understand the Business of the Company. Upon induction, the Independent Directors are familiarised with their roles, rights and responsibilities. The directors are updated on a continuing basis on any significant changes. Details of such familiarization programmes for Independent Directors is available on the website of the Company at www.giesl.com

3. BOARD COMMITTEES

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following committees:

I. AUDIT COMMITTEE

The Audit Committee of your Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015, read with Section 177 of the Act.

COMPOSITION

The Audit Committee comprises of three Non-Executive Directors, two of them being Independent Directors. All the members of the Committee are financially literate with requisite expertise and experience. The Committee is headed by Mr. Ganapathy Vishwanathan, who is financially literate and qualified professional having relevant exposure of more than 20 years in finance and audit.

The Audit Committee is entrusted with the responsibility to oversee the quality and integrity

of auditing and accounting practices, legal and statutory compliances and the overall financial health of the Company.

The primary role of Audit Committee of the Board is to act as a catalyst in monitoring and supervising the management's financial reporting process.

The terms of reference of the Audit Committee cover the matters as contained in Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The role of the Audit Committee includes, inter-alia,

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending about the appointment, remuneration and terms of appointment of auditors of the listed entity;
- c. Approval of payment to statutory auditors for any other services rendered by them;
- d. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing other legal requirements relating to financial statements;
- e. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- f. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the listed entity with related parties;
- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- j. Evaluation of internal financial controls and risk management systems;
- k. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- l. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- m. Discussing with internal auditors of any significant findings and follow up there on;
- n. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, if any, or a failure of internal control systems of a material nature and reporting the matter to the board;
- o. Discussing with the statutory auditors about the nature and scope of audit as well as post-audit to ascertain any area of concern;
- p. Reviewing reasons for defaults in the

payment to the shareholders (in case of non-payment of declared dividends), depositors, debenture holders and creditors, if any;

- q. Reviewing the functioning of the Whistle Blower Mechanism;
- r. approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- s. Carrying out any other function as may be assigned by the Board of Directors from time to time.

During the year under review, Five Audit Committee Meetings were held and the time gap between any two meetings was not more than 4 months. The dates on which the Audit Committee Meetings were held are as follows:

1. May 30, 2017
2. August 21, 2017
3. September 14, 2017
4. November 21, 2017
5. February 14, 2018

The composition of the Audit Committee and details of meetings attended by the members thereof in 2017-18 were as follows:

| Name of Directors | Status | No. of Meetings Attended |
|----------------------------|----------|--------------------------|
| Mr. Ganapathy Vishwanathan | Chairman | 5 |
| Mrs. Saroja Malik | Member | 5 |
| Mr. Ganesh Acharya | Member | 5 |

The Chairman of the Audit Committee Mr. Ganapathy Vishwanathan, was present at the Eleventh Annual General Meeting of the Company held on September 28, 2017.

II. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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.

The Stakeholders Relationship Committee of the Company is comprised of Mr. Ganapathy Vishwanathan as the Chairman, Non-Executive Independent Director and Mr. Ganesh Acharya, Non-Executive Independent Director and Mrs. Saroja Malik, Non-Executive Directors, as members of the Committee.

The role of Stakeholders' Relationship Committee is as follows:

- To oversee and review all matters related with transfer, transmission, transposition, dematerialization and mutation of securities;
- To approve issue of share certificates including duplicate, split/ sub-divided or consolidated certificates;
- To oversee and review removal of shareholders' grievance with respect to non-receipt of annual reports, transfer and dematerialization/ re-materialization of shares etc. ;
- ensuring expeditious share transfer process;
- evaluating performance and service standards of the Registrar and Share 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.

Details of the investors' complaints received and redressed during the year 2017-18 are as follows:

| Number of Complaints received during the year | Number of Complaints solved to the satisfaction of shareholders | Number of Pending Complaints |
|---|---|------------------------------|
| NIL | NIL | NIL |

During the financial year 2017-18, 5 meetings

of the said committee were held on May 30, 2017, September 14, 2017, October 23, 2017, November 21, 2017 and February 14, 2018.

Attendance records of the members of the Stakeholders' Relationship Committee for FY 2017-18 were as follows:

| Name of Directors | Status | No. of Meetings Attended |
|----------------------------|----------|--------------------------|
| Mr. Ganapathy Vishwanathan | Chairman | 5 |
| Mrs. Saroja Malik | Member | 5 |
| Mr. Ganesh Acharya | Member | 5 |

The constitution, duties and responsibilities of the Stakeholders' Relationship Committee are in line with the Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

III. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of 3 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.

The terms of reference of the Nomination and Remuneration Committee are broadly as under:

- To formulate the structure, size and composition of the Board of Directors and Committees;
- To formulate criteria for qualifications, appointment, positive attributes and independence of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package i.e. salary, benefits, bonus etc.;

- To evaluate every Director's performance and set appropriate performance benchmarks;
- Any other related activities as the Committee or the Board deems necessary or appropriate;
- To devise policy on Board diversity;

During the year under review, one meeting held on May 30, 2017.

REMUNERATION POLICY

The Company has not paid any remuneration to any of the Directors of the Company. However, the Company has formulated Policy for Remuneration of Directors and KMP. Brief details of policy have been produced herein below.

- On recommendation of Nomination and Remuneration Committee and approval by Board of Directors of the Company, Non-executive directors may receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board Meeting within the overall limits prescribed under the Companies Act, 2013 and the rules framed thereunder.
- Remuneration of Executive Directors, KMP & other senior employees will be subject to mutual agreement between the Company and concern person and shall be subject to recommendation of Nomination and Remuneration Committee and approval of Board in compliance of the Companies Act, 2013 and rules made thereunder.

4. SUBSIDIARY COMPANY

Your Company does not have any Indian subsidiary. The Audit Committee reviews the financial statement of its foreign subsidiary company viz. Genesys Enterprises Inc., USA from time to time.

5. CODE OF CONDUCT

The Board has adopted a Code of Conduct which is applicable to all Board members. The said Code has been communicated to all

Directors and they have affirmed compliance with said Code. The code is also posted on the Company's website i.e. www.giesl.com. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

6. **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations as amended from time to time. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors at their meeting held on May 30, 2015 has adopted a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" and "Code of Conduct to Regulate, Monitor and Report Trading by Insiders".

The code binds all Directors and Connected persons of the Company to safeguard the confidentiality of all such information obtained in the course of their work at the Company. The Code also lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

7. **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER ATTRIBUTES**

The Company has appropriate combination of executive, non-executive and independent directors. The Nomination & Remuneration Committee of the Company will lead the process for Board appointments in accordance with the requirements of Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable guidelines.

While making appointment/re-appointment of directors, the Board takes into consideration personal and professional ethics, integrity, values and character, appreciation of the Company's vision, values, professional skill,

knowledge and expertise, financial literacy and such other competencies and skills as may be considered necessary.

8. **PERFORMANCE EVALUATION OF THE BOARD**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. Annual performance of other committees like Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee was also carried out by the Board. The Directors expressed their satisfaction with the evaluation process.

9. **CEO / CFO CERTIFICATION**

Mr. Sajid Malik, Managing Director of the Company have certified to the Board as stated in Regulation 17(8) regarding compliance made by them as specified in Part B of Schedule II of SEBI (LODR) Regulations, 2015. The Certificate forms part of Annual Report.

10. **OTHER DISCLOSURES**

i. **Policy on Related Party Transactions**

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board

has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.giesl.com

ii. **Policy For Determining Material Subsidiary**

The requirements of Regulation 24 of SEBI (LODR) Regulations, 2015 w.r.t. Subsidiary company have been complied with. However there is no material non-listed Indian Subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the Subsidiary Company.

The Board has approved a policy for determining material subsidiaries which has been uploaded on the Company's website i.e. www.giesl.com

iii. **Whistle Blower Policy / Vigil Mechanism**

Pursuant to Section 177(9) & (10) of the Companies Act, 2013 and Regulation 21 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors' and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors, who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The policy is displayed on the website of the Company.

It is also hereby affirmed that, no personnel has been denied access to the Audit Committee of the Company.

iv. **Non-compliance / Strictures / Penalties imposed**

There were no instances of penalties and strictures imposed on the Company by the

Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

The Company is yet to appoint the Company Secretary in terms of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

v. **Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The Board and Audit Committee review periodically the risk assessment in the Company.

vi. **Disclosure of accounting treatment**

The Annual Accounts of the Company in respect of financial year 2017-18 have been prepared in accordance with the Indian Accounting Standard (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015.

vii. **Compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company is in compliance with the applicable mandatory requirements of SEBI (LODR) Regulations, 2015 relating to Corporate Governance.

During the year under review, there is no audit qualification in the Auditor's Report.

11. **GENERAL BODY MEETINGS:**

A. **Details of General Meetings and Special Resolutions passed**

Annual General Meetings (AGM) held during the past 3 years and the Special Resolution(s) passed therein:

| YEAR | LOCATION | DATE & TIME | SPECIAL RESOLUTION(S) PASSED |
|---------|--|---------------------------------|------------------------------|
| 2014-15 | The Mirador Hotel, New Link Road, Opp. Solitaire Corporate Park, Chakala, Andheri (East), Mumbai- 400099 | September 29, 2015 3.00 p.m. | NIL |
| 2015-16 | Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai- 400059 | September 30, 2016 3.00 p.m. | NIL |
| 2016-17 | Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai- 400059 | September 28, 2017 3.30p.m. | NIL |

B. Extraordinary General Meetings held during the past 3 years

There had been no Extraordinary General Meeting during the past 3 years.

C. No Postal Ballot was conducted during the year under review.

12. Profile of Directors seeking appointment / re-appointment

Details of the Director seeking re-appointment form part of the Notice convening the Twelfth Annual General Meeting of the Company as required by Regulation 36(3) of SEBI (LODR) Regulations, 2015.

13. Means of Communication:

a) Quarterly / Annual Results

The Company's quarterly financial results, investor updates and other information are posted on the Company's website (www.giesl.com). The quarterly financial results of the Company are generally published in the Free Press Journal (English) and Navshakti (Marathi). Financial results and all material information are also regularly provided to the Stock Exchanges as per the requirements of the SEBI (LODR) Regulations, 2015.

b) Posting of information on the website of the Company

The Quarterly/Annual Results of the Company, shareholding pattern, Corporate Governance, Notices, Annual Reports etc. are regularly posted on Company's website www.giesl.com under the separate dedicated head 'Investors'.

14. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Day & Date : Thursday, September 27, 2018

Time : 3.30 p.m.

Venue : Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400 059

B. Financial Year

Financial Year of the company is From April 1, 2017 to March 31, 2018.

C. Book Closure

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, September 21, 2018 to Thursday, September 27, 2018 (both days inclusive) for the purpose of Annual General Meeting.

D. Listing on Stock Exchanges:

The Equity shares of the Company are listed on the following Stock Exchanges:

| Name of Stock Exchanges | Symbol / Scrip Code | ISIN |
|---|---------------------|--------------|
| National Stock Exchange of India Limited (NSE) | GISOLUTION | INE065J01016 |
| Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 | | |

GI ENGINEERING SOLUTIONS LIMITED

| | | |
|---|--------|--------------|
| BSE Limited (BSE) | 533048 | INE065J01016 |
| P. J. Towers, Dalal Street, Fort, Mum- bai-400001 | | |

E. Corporate Identification Number

Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L40109MH2006PLC163731 and the Company is registered in the State of Maharashtra, India.

F. Registered Office

73-A, SDF-III, SEEPZ, Andheri (East), Mumbai-400096.

Tel No: 91-22-44884488

Fax No.: 91-22-28290603

Website: www.giesl.com

G. Registrar & Share Transfer Agent

Bigshare Services Private Limited
Unit: GI Engineering Solutions Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400059,
Maharashtra.

Tel No.: 91-22-62638200

Fax No.: 91-22-62638299

E-Mail: investor@bigshareonline.com

H. Investors Correspondence

Stakeholders' Relationship Committee
GI Engineering Solutions Limited
73-A, SDF-III, SEEPZ, Andheri (East),
Mumbai-400096.

Tel No: 91-22-44884488

Fax No.: 91-22-28290603

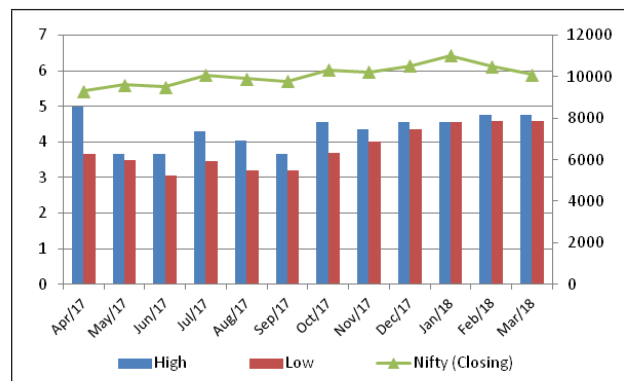
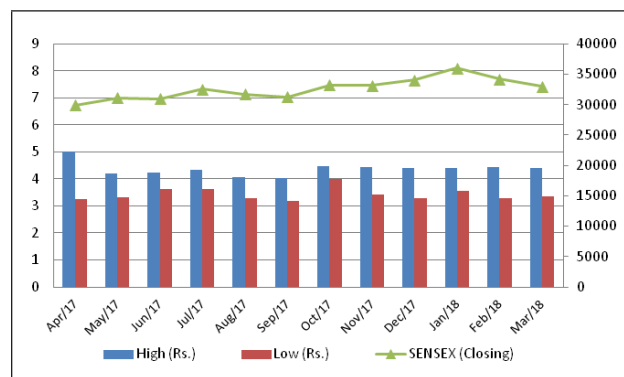
E-mail: investors@giesl.com

I. Market Price Data:

| BSE Limited | | | NSE Limited | | |
|-------------|----------|---------|-------------|----------|---------|
| Month | High (₹) | Low (₹) | Month | High (₹) | Low (₹) |
| Apr-17 | 5 | 3.26 | Apr-17 | 5 | 3.65 |
| May-17 | 4.2 | 3.33 | May-17 | 3.65 | 3.5 |
| Jun-17 | 4.22 | 3.61 | Jun-17 | 3.65 | 3.05 |
| Jul-17 | 4.35 | 3.61 | Jul-17 | 4.3 | 3.45 |
| Aug-17 | 4.07 | 3.27 | Aug-17 | 4.05 | 3.2 |
| Sep-17 | 4.03 | 3.19 | Sep-17 | 3.65 | 3.2 |
| Oct-17 | 4.48 | 4 | Oct-17 | 4.55 | 3.7 |
| Nov-17 | 4.45 | 3.43 | Nov-17 | 4.35 | 4 |
| Dec-17 | 4.41 | 3.3 | Dec-17 | 4.55 | 4.35 |
| Jan-18 | 4.41 | 3.54 | Jan-18 | 4.55 | 4.55 |
| Feb-18 | 4.43 | 3.3 | Feb-18 | 4.75 | 4.6 |
| Mar-18 | 4.41 | 3.35 | Mar-18 | 4.75 | 4.6 |

J. Performance of Equity Shares:

Performance of the Company's shares in comparison to BSE Sensex and NSE S&P CNX Nifty is given in the chart below:



*Based on closing Price on Last Trading day of the Month

K. Distribution of Shareholding:

Distribution Schedule of the Equity Shares as on March 31, 2018 is given below:-

| No. of Equity Shares held | Shareholders | | Shares | |
|---------------------------|--------------|---------------|----------------|---------------|
| | Number | Percentage | Number | Percentage |
| upto 500 | 2663 | 73.73 | 432362 | 5.02 |
| 501 - 1000 | 371 | 10.27 | 312176 | 3.62 |
| 1001 - 2000 | 225 | 6.22 | 350206 | 4.07 |
| 2001 - 3000 | 95 | 2.63 | 246014 | 2.86 |
| 3001 - 4000 | 44 | 1.22 | 157296 | 1.82 |
| 4001 - 5000 | 58 | 1.60 | 278498 | 3.23 |
| 5001 - 10000 | 80 | 2.21 | 581187 | 6.75 |
| 10001 & above | 76 | 2.10 | 6254139 | 72.62 |
| Total | 3612 | 100.00 | 8611878 | 100.00 |

L. Shareholding Pattern:

The shareholding of different categories of the shareholders as on March 31, 2018 is given below:

| Description | Number of Shares | % to Total |
|---|------------------|-------------|
| Promoters | 33,95,177 | 39.42% |
| Mutual Funds | 4,050 | 0.05% |
| Bodies Corporate | 3,24,914 | 3.77% |
| Individuals | 36,04,870 | 41.86% |
| Independent Directors & their relatives | 12,978 | 0.15% |
| Clearing Members | 600 | 0.01% |
| Overseas Corporate Bodies | 11,00,025 | 12.77% |
| Trusts | 97,109 | 1.13% |
| NRI | 72,155 | 0.84% |
| Total | 86,11,878 | 100% |

M. Dematerialization of shares:

About 99.69% of the total Equity Share Capital was held in dematerialized form as on March 31, 2018.

N. Share Transfer System:

The shares in physical form which are lodged for transfer are processed, registered and returned by the Registrar and Share Transfer Agent within the stipulated time of 15 days from the date of lodgement subject to the documents being valid and complete in all respects.

O. Plant Location:

The Company is into the business of Engineering & IT solutions and hence does not require any manufacturing plants.

P. Financial Calendar 2018-2019 (tentative)

| | |
|--|----------------|
| First quarterly results | August 2018 |
| Second quarterly / Half yearly results | November 2018 |
| Third quarterly results | February 2019 |
| Fourth quarterly results | May 2019 |
| Annual General Meeting for the year ending on March 31, 2019 | September 2019 |

GI ENGINEERING SOLUTIONS LIMITED

DETAILS PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015 IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Brief Resume of Director seeking re-appointment:

Abbreviated resumes of the Director of the Company seeking re-appointment

| | |
|---|---|
| Name of Director | Mrs. Saroja Malik |
| Nature of Resolution | Re-appointment as Director |
| Date of Birth | September 28, 1937 |
| Director Identification Number | 00400421 |
| Qualifications | B.Com, LLB |
| Brief Resume and Expertise in specific functional areas | Mrs. Saroja Malik has in-depth experience in Legal Compliance, Income Tax & Allied Matters and Custom Regulations. She has a flair for Office Administration. |
| Directorship held in other Companies | <ol style="list-style-type: none"> 1. Genesys International Corporation Limited 2. Ventura Guaranty Limited 3. Valeo Nutra Private Limited |
| Chairman / Member of Committees of other Companies | Genesys International Corporation Ltd : Corporate Social Responsibility Committee- Member |
| Number of Equity Shares held in the Company | 16,91,716 |
| Relationship between Directors | Mrs. Saroja Malik is mother of Mr. Sajid Malik. |

CEO/CFO CERTIFICATION

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

The Board of Directors

GI Engineering Solutions Limited

This is to certify that for the Financial Year 2017-18 :

- A. We have reviewed the financial statements read with the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls over financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal controls over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

For **GI ENGINEERING SOLUTIONS LIMITED**

SAJID MALIK
MANAGING DIRECTOR

Place: Mumbai

Dated: May 30, 2018

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To

The Members of

GI Engineering Solutions Limited

Sub: Declaration under Regulation 34(3) read with Schedule V (D) of SEBI (LODR) Regulations, 2015

I hereby declare that all Directors of the Company have confirmed compliance with the Code of Conduct for the financial year ended March 31, 2018.

For **GI ENGINEERING SOLUTIONS LIMITED**

SAJID MALIK
MANAGING DIRECTOR

Place: Mumbai

Dated: May 30, 2018

REPORT OF THE AUDITOR ON CORPORATE GOVERNANCE

To,

The Members of

GI Engineering Solutions Limited

I have examined the compliance of the conditions of the Corporate Governance by **GI Engineering Solutions Limited** ("the Company") for the year ended on March 31, 2018 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI (LODR) Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Dixit Dattatray & Associates,
Chartered Accountants
Firm Registration No.: 102665W**

D.B. DIXIT

Proprietor

Membership No. 40032

Place: Mumbai

Date: May 30, 2018

GI ENGINEERING SOLUTIONS LIMITED

Form AOC-1

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

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

Part "A": Subsidiaries

(₹ In Lakhs)

| Sr. No. | Particulars | Details |
|---------|---|--|
| 1. | Name of the subsidiary | Genesys Enterprises Inc., USA |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as Holding Company (April to March) |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | As on 31.03.2018 USD 1\$ = ₹ 65.64 |
| 4. | Share capital | 2682.34 |
| 5. | Reserves & surplus | (2584.14) |
| 6. | Total assets | 98.20 |
| 7. | Total Liabilities | 98.20 |
| 8. | Investments | - |
| 9. | Turnover | - |
| 10. | Profit before taxation | - |
| 11. | Provision for taxation | - |
| 12. | Profit after taxation | - |
| 13. | Proposed Dividend | - |
| 14. | % of shareholding | 100% |

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

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

*The Foreign Subsidiary i.e. Genesys Enterprises Inc., USA has filed application for dissolution with the Secretary of State of New York.

Part "B": Associates and Joint Ventures

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

There were no Associates and Joint Ventures as on 31st March, 2018.

For and on Behalf of the Board of Directors
SAJID MALIK **SAROJA MALIK**
MANAGING DIRECTOR **DIRECTOR**
(DIN: 00400366) **(DIN: 00400421)**

Date: May 30, 2018

Place: Mumbai

Form No. AOC-2

Particulars of contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There was no contract or arrangement or transaction entered into by the Company during the year ended March 31, 2018 which was not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

There was no material contract or arrangement or transaction entered into by the Company during the year ended March 31, 2018.

For and on Behalf of the Board of Directors

SAJID MALIK

SAROJA MALIK

MANAGING DIRECTOR

DIRECTOR

(DIN: 00400366)

(DIN: 00400421)

Date: May 30, 2018

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The Engineering Solutions industry provides surveys; feasibility and technical studies; geotechnical investigation; and environmental impact studies for transportation, building, energy, industrial, mining and water and sewage industries. Industry revenue increased over the five years to 2018, due to strong investments in infrastructure, building and industrial construction in developing economies across the globe. Over the five years to 2022, stronger global economic growth and construction activity are forecast to help increase industry revenue.

Opportunities and Threats

With the continuing frequency, intensity, and adverse consequences of cyber-attacks, disruptions, hazards, and other threats to businesses, central and state government and the critical infrastructure, the need for trustworthy secure systems has never been more important to the long- term economic and national security interests of the country and world . Engineering-based solutions are essential to managing the growing complexity, dynamicity, and inter-connectedness of today's systems, as exemplified by cyber-physical systems and systems-of-systems, including the Internet of Things.

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. Technological developments
2. High cost of resources.
3. Global market uncertainties
4. Availability and retention of Human resources
5. Foreign Exchange Fluctuation
6. Government policies
7. Political stability
8. Competition and customer acquisition.

Internal Control System and its adequacy

The company has in place system and procedures to effectively control and monitor its business operation on an ongoing basis. The system encompasses all areas of the operations with procedures and process-

es laid down to control for day-to day activities. These are reviewed on an ongoing basis by the top management and changes, whenever needed, are incorporated. Having regard to the size and nature of business, the existing internal control systems are considered adequate and reliable.

Discussion on Financial Performance

ASSETS AND LIABILITIES

Assets:

Property Plant & Equipment

There was no addition or deletion in the gross block vis-a vis the end of earlier year and as on 31st March 2018 it was ₹440.94 lacs . Net Block was ₹96.59 lacs on account goodwill arising out of consolidation.

Current Assets

Trade receivables

Trade receivables, net of provisions, if any, as on March 31, 2018, was at ₹ 4.34 lacs as against ₹10.30 lacs at the end of previous year.

Cash and Bank Balance

Cash and bank balance as on March 31, 2018, was at ₹ 2.08 lacs as against ₹ 2.51 lacs in the earlier year. The Company maintains such balances in current, fixed deposit and 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
- To body corporate

As on 31st March 2018 stood at ₹1391.21 lacs as against previous year amount of ₹1497.66 lacs.

Current Tax Assets

Advance Income Tax As at 31st March 2018, Net of Provision ₹14.92 lacs same as at 31st March, 2017: ₹13.55 lacs.

Other Current Assets

Other Current Assets consists of Other Advances as at 31st March 2018 ₹ 13.50 lacs as against previous year amount of ₹ 13.48 lacs.

Liabilities:

Equity

During the year ended March 31 2018 and as on March 31, 2017, there was no changes in the Authorised Share capital the same is as below:

- 8,490,000,000 Equity Shares of ₹10 each: Total of ₹84,900,000,000
- 10,000,000 4.5% Redeemable Preference Shares of ₹10 each: Total of ₹100,000,000

Of which the Issued, Subscribed and Paid-up Share Capital of the Company, consist of the following as on April 01, 2017 :

- 8,611,878 Equity Shares of ₹10 each: Total of ₹86,118,780

Other Equity

Other equity consists of balance in the General Reserve, Security Premium Account, debit balance in the Profit and Loss account, besides balance in the exchange fluctuation reserve account arising out consolidation.

The balances as on 31st March 2018 in General Reserve Account was ₹2,998.48 lacs which was same as the balance at the end of the previous year. In case of balance in share premium account also there was no movement during the year with year end balance of ₹ 88 lacs. As on 31st March 2018 debit balance of Profit & Loss Account stood at ₹4073.46 lacs as compared to previous year ₹4064.90 lacs.

Current Liabilities

Trade payables

Trade payables as on March 31, 2018, was at ₹9.93 lacs as against ₹10.21 lacs at the end of previous year.

Other Current Financial Liabilities:

Other Current Financial Liabilities as on March 31, 2018, was at ₹698.29 lacs as against ₹800.75 lacs at the end of previous year.

Current Tax Liabilities

Current tax liabilities as on March 31, 2018 was ₹17.37 lacs, same as against balance as on March 31, 2017.

INCOME & EXPENDITURE

Income

During the year 2017-18, the Company recorded a total income of ₹2.27 lacs as against ₹149.14 lacs in the previous year 2016-17. The Company for the year has recorded a loss of ₹ 8.56 lacs against previous year loss of ₹ 3130.16 lacs

Expenditure

The Company in current year incurred total operating cost of ₹10.84 lacs, including depreciation, compared to previous year of ₹ 3279.30 lacs.

CAUTIONARY STATEMENT

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

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF GI ENGINEERING SOLUTIONS LIMITED

To the Members of

GI ENGINEERING SOLUTIONS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone IND AS financial statements of GI ENGINEERING SOLUTIONS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (IND AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and

the Rules made thereunder.

We conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its loss, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor

auditor whose reports for the years ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those standalone IND AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

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 according 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;
2. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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, and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of

the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For SACHIN PHADKE & ASSOCIATES

Chartered Accountants
Firm Registration No 133898W

Sachin Phadke
Proprietor
Membership No.117084

Place: Mumbai,
Date: 30th May, 2018

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a). As per the information produced before us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b). According to the representations and information given to us the fixed assets have been physically verified by the management as per a phased program of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on verification were not material and have been properly dealt with in the books of accounts.
- (c). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering computer based services in the area of Geospatial Information System (GIS). Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a)(b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or securities to the parties covered under section 185 and 186 of the Act. Therefore, the provision of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Therefore the provisions of paragraph 3(vi) of the Order are not applicable to the company.
- (vii) In respect of statutory dues:
- (a) According to the records of the Company, 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, 2018 for a period of more than six months from the date of it becoming payable.
- (b) According to the records of the Company, the dues outstanding of income tax, sales tax, service Tax, goods and service tax customs duty, excise duty and cess which have not been deposited as at March 31, 2018 on account of any dispute are given below :

| 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 |

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not have any borrowing from any financial institutions, banks and government nor has it issued any debentures as at balance sheet date the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under consideration. According, to the information and explanation given to us and based on our examination of the records, The company has not raised any term loans, accordingly the provision of Clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us and based on our audit, we have not come across any material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, No Managerial remuneration has been paid or provided during the year, accordingly the provision of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone IND AS financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SACHIN PHADKE & ASSOCIATES

Chartered Accountants
(Firm Registration No.133898W)

Sachin Phadke

(Proprietor)
(Membership No.117084)

Place: Mumbai,
Date: 30 May, 2018

ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GI ENGINEERING SOLUTIONS LIMITED

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 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possi-

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SACHIN PHADKE & ASSOCIATES

Chartered Accountants
(Firm Registration No.133898W)

Sachin Phadke

(Proprietor)
(Membership No.117084)

Place: Mumbai,
Date: 30 May, 2018

GI ENGINEERING SOLUTIONS LIMITED

BALANCE SHEET

AS AT MARCH 31, 2018

| Particulars | Note No. | March 31, 2018 ₹ | March 31, 2017 ₹ | April 01, 2016 ₹ |
|--------------------------------------|----------|---------------------|---------------------|---------------------|
| I. ASSETS | | | | |
| 1) Non-Current Assets | | | | |
| a) Property, Plant and Equipment | 3 (a) | - | - | - |
| b) Intangible Assets | 3 (b) | - | - | - |
| c) Financial Assets: | | | | |
| Non-Current Investments | 4 | - | - | 26,82,34,232 |
| Total Non-Current Assets | | - | - | 26,82,34,232 |
| 2) Current Assets | | | | |
| a) Financial Assets: | | | | |
| Trade Receivables | 5 | 4,34,150 | 10,30,280 | 10,31,350 |
| Cash and Cash Equivalents | 6 | 47,387 | 90,041 | 89,285 |
| Loans | 7 | 13,91,21,153 | 14,97,66,153 | 15,02,71,153 |
| b) Current Tax Assets (Net) | 8 | 14,92,112 | 13,54,937 | 13,54,937 |
| c) Other Current Assets | 9 | 13,49,684 | 13,47,618 | 13,47,618 |
| Total Current Assets | | 14,24,44,486 | 15,35,89,029 | 15,40,94,343 |
| TOTAL ASSETS | | 14,24,44,486 | 15,35,89,029 | 42,23,28,575 |
| II. EQUITY AND LIABILITIES | | | | |
| 1) Equity | | | | |
| a) Share Capital | 10 | 8,61,18,780 | 8,61,18,780 | 8,61,18,780 |
| b) Other Equity | 11 | (1,62,32,756) | (1,53,76,474) | 25,36,46,061 |
| Total Equity | | 6,98,86,024 | 7,07,42,306 | 33,97,64,841 |
| Liabilities | | | | |
| 1) Non-Current Liabilities | | | | |
| a) Financial Liabilities: | | | | |
| Borrowings | 12 | - | - | 7,00,00,000 |
| Total Non-Current Liabilities | | - | - | 7,00,00,000 |
| 2) Current Liabilities | | | | |
| a) Financial Liabilities: | | | | |
| Trade Payables | 13 | 9,93,011 | 10,20,898 | 7,56,705 |
| Other Current Financial Liabilities | 14 | 6,98,28,770 | 8,00,74,746 | 1,00,69,019 |
| b) Other Current Liabilities | 15 | - | 14,398 | 1,329 |
| c) Current Tax liabilities (Net) | 16 | 17,36,681 | 17,36,681 | 17,36,681 |
| Total Current Liabilities | | 7,25,58,462 | 8,28,46,723 | 1,25,63,734 |
| Total Liabilities | | 7,25,58,462 | 8,28,46,723 | 1,25,63,734 |
| TOTAL EQUITY AND LIABILITIES | | 14,24,44,486 | 15,35,89,029 | 42,23,28,575 |

III. Notes forming integral part of the Ind AS Financial Statements 1 to 35

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | Note No. | March 31, 2018 ₹ | March 31, 2017 ₹ |
|---|----------|---------------------|-----------------------|
| I. Income | | | |
| Revenue from Operations | 17 | 2,22,750 | 2,20,150 |
| Other Income | 18 | 4,684 | - |
| Total Revenue | | 2,27,434 | 2,20,150 |
| II. Expenses | | | |
| Employee Benefit Expenses | 19 | 35,246 | 51,046 |
| Finance Costs | 20 | 2,074 | 2,473 |
| Depreciation and Amortization Expense | 3 | - | - |
| Other Expenses | 21 | 10,46,396 | 9,54,935 |
| Total Expenses | | 10,83,716 | 10,08,454 |
| III Profit / (Loss) before exceptional Items | | (8,56,282) | (7,88,303) |
| Less : Exceptional Items (Refer Note no.29) | | - | 26,82,34,232 |
| IV. Profit/(Loss) Before Tax | | (8,56,282) | (26,90,22,535) |
| V. Tax Expense: | | | |
| Current Tax | | - | - |
| Tax Adjustment for earlier years | | - | - |
| VI. Profit / (Loss) from continued operations after tax | | (8,56,282) | (26,90,22,535) |
| 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 | | (8,56,282) | (26,90,22,535) |
| XI. EARNINGS PER EQUITY SHARE | 28 | | |
| Equity Shares of face value of ₹10 each | | | |
| Basic & Diluted - Before exceptional Items | | (0.10) | (0.09) |
| Basic & Diluted - After exceptional Items | | (0.10) | (31.24) |
| 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 35

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

GI ENGINEERING SOLUTIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2018

| Particulars | Note no. | March 31, 2018 ₹ | March 31, 2017 ₹ |
|--|----------|---------------------|---------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax and extraordinary items | | (8,56,282) | (26,90,22,535) |
| Bank charges to consider separate below | | 2,074 | 2,473 |
| Provision for Diminution in value of Investments | | - | 26,82,34,232 |
| | | 2,074 | 26,82,36,705 |
| Operating Profit before working capital changes | | (8,54,208) | (7,85,830) |
| Adjusted for: | | | |
| (Increase)/Decrease in Trade Receivables | | 5,96,130 | 1,070 |
| (Increase) / Decrease in Loans | | 1,06,45,000 | 5,05,000 |
| (Increase) / Decrease in Other Assets | | (1,39,242) | - |
| Increase / (Decrease) in Financial liabilities | | (1,02,73,863) | 2,69,921 |
| Increase / (Decrease) in Other Current Liabilities | | (14,398) | 13,069 |
| | | 8,13,628 | 7,89,060 |
| Cash Generated from Operations | | (40,580) | 3,229 |
| Income Taxes (Paid) / Refund received | | | - |
| Net Cash Flow from Operating Activities [A] | | (40,580) | 3,229 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Receipts from Other Body Corporates | | | - |
| Repayment of Redeemable cumulative preference shares | | - | - |
| | | - | - |
| Net Cash used in Investing Activities [B] | | - | - |

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2018

| Particulars | Note no. | March 31, 2018 ₹ | March 31, 2017 ₹ |
|---|----------|---------------------|---------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Bank charges | | (2,074) | (2,473) |
| Net Cash Flow from Financing Activities [C] | | (2,074) | (2,473) |
| Net Increase in Cash & Cash Equivalents [A+B+C] | | (42,654) | 756 |
| Cash & Bank Balance (Opening Balance) | 6 | 90,041 | 89,285 |
| Cash & Bank Balance (Closing Balance) | 6 | 47,387 | 90,041 |
| Cash & Bank balance comprise | | | |
| Cash in Hand | | | |
| Balance with Banks | | 47,387 | 90,041 |
| Cash & Bank Balance as at the end of the year | | 47,387 | 90,041 |

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: May 30, 2018
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

GI ENGINEERING SOLUTIONS LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity share capital

| Particulars | Notes | No. of shares | (₹) |
|---|-----------|------------------|--------------------|
| Balance as at April 1, 2016 | | 86,11,878 | 8,61,18,780 |
| Changes in equity share capital during the year | | - | - |
| Balance as at March 31, 2017 | | 86,11,878 | 8,61,18,780 |
| Changes in equity share capital during the year | | - | - |
| Balance as at March 31, 2018 | 10 | 86,11,878 | 8,61,18,780 |

(B) Other Equity

| (in ₹) | | | | | |
|-----------------------------|-----------|---------------------|--------------------|-----------------------|----------------------|
| Particulars | Notes | General Reserve | Securities Premium | Retained Earnings | Total Other Equity |
| Balance as at April 1, 2016 | | 30,60,79,105 | 88,00,000 | (6,12,33,044) | 25,36,46,061 |
| Profit for the year | | - | - | (26,90,22,535) | (26,90,22,535) |
| As at March 31, 2017 | | 30,60,79,105 | 88,00,000 | (33,02,55,579) | (1,53,76,474) |
| Profit for the year | | - | - | (8,56,282) | (8,56,282) |
| As at March 31, 2018 | 11 | 30,60,79,105 | 88,00,000 | (33,11,11,861) | (1,62,32,756) |

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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 30th May, 2018.

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.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

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, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the relevant notes

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

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

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

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**

Revenues are recognized on accrual basis. Revenue from operations is accounted for on the basis of services rendered and billed to / accepted by clients.

Revenue from the sale of goods measured at the fair value of the consideration received or receivable net of return, trade discounts, taxes collected, rebates and other similar allowances. This inter alia involved discounting of the consideration due to present value if payment extends beyond normal credit terms.

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

Interest Income:

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

Dividend Income:

Dividend income is accounted for when the right to receive the same is established, which

is generally when shareholders approve the dividend.

Other Income:

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

E) **Property, Plant and equipments**

(i) Tangible Assets

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, Plant and equipment.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

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

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

Residual value is considered as Nil for all the assets.

(ii) Intangible Assets

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

Depreciation:

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

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

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

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

Residual value is considered as Nil for all the assets.

F) 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

the date when the relevant transactions take place.

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

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

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

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

L) Employee Benefits

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

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

Post-employment benefits (defined contribution

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

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

M) Taxation

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

Current Income Tax

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

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

- Has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Income Tax

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

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

Deferred tax assets and liabilities are offset only if:

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

N) Earnings per Share (EPS)

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

3 (a). Property, Plant and equipment

(in ₹)

| Particulars | Computers | Furniture & Pictures | Office Equip-ments | Total |
|-----------------------------|-----------------|----------------------|--------------------|------------------|
| Gross Block | | | | |
| As at April 01, 2016 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Additions | - | - | - | - |
| Deductions | - | - | - | - |
| As at March 31, 2017 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Additions | - | - | - | - |
| Deductions | - | - | - | - |
| As at March 31, 2018 | <u>8,31,351</u> | <u>1,28,374</u> | <u>16,66,905</u> | <u>26,26,630</u> |
| Depreciation | | | | |
| As at April 01, 2016 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Charge for the year | - | - | - | - |
| Deductions | - | - | - | - |
| As at March 31, 2017 | 8,31,351 | 1,28,374 | 16,66,905 | 26,26,630 |
| Charge for the year | - | - | - | - |
| Deductions | - | - | - | - |
| As at March 31, 2018 | <u>8,31,351</u> | <u>1,28,374</u> | <u>16,66,905</u> | <u>26,26,630</u> |
| Net Block | | | | |
| As at March 31, 2017 | - | - | - | - |
| As at March 31, 2018 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

3 (b). Intangible Assets

(in ₹)

| Particulars | Computer Software |
|-----------------------------|-------------------|
| Gross Block | |
| As at April 01, 2016 | 2,73,558 |
| Additions | - |
| Deductions | - |
| As at March 31, 2017 | 2,73,558 |
| Additions | - |
| Deductions | - |
| As at March 31, 2018 | <u>2,73,558</u> |
| Depreciation | |
| As at April 01, 2016 | 2,73,558 |
| Charge for the year | - |
| Deductions | - |
| As at March 31, 2017 | 2,73,558 |
| Charge for the year | - |
| Deductions | - |
| As at March 31, 2018 | <u>2,73,558</u> |
| Net Block | |
| As at March 31, 2017 | - |
| As at March 31, 2018 | <u>-</u> |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

4. Non-Current Investments

(in ₹)

| Particulars | As at | | |
|---|---------------------|----------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| (A) Unquoted Equity Shares | | | |
| i) Investment in Equity Instruments of Subsidiary company measured at cost Genesys Enterprises Inc 5,50,650 Common Stock USD 10 par value in Genesys Enterprises Inc., USA (Previous year: 5,50,650 common stock \$ 10 par value) | 26,82,34,232 | 26,82,34,232 | 26,82,34,232 |
| Less : Provision for Diminution on value of investment | 26,82,34,232 | 26,82,34,232 | - |
| Total Non-Current Investments | - | - | 26,82,34,232 |
| Aggregate Amount of unquoted Investments | 26,82,34,232 | 26,82,34,232 | 26,82,34,232 |
| Aggregate amount of impairment in value of investment | - | - | - |
| Investments carried at Cost | 26,82,34,232 | 26,82,34,232 | 26,82,34,232 |
| Investments carried at Amortised Cost | - | - | - |
| Investments carried at Fair Value through oth- er comprehensive income | - | - | - |
| Investments carried at Fair Value through prof- it or loss | - | - | - |

5. Trade receivables

(in ₹)

| Particulars | As at | | |
|--|--------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| (Unsecured, Considered good at amortised cost) | | | |
| Others | 2,95,17,808 | 3,01,13,938 | 3,01,15,008 |
| Less : Allowance for doubtful debts | 2,90,83,658 | 2,90,83,658 | 2,90,83,658 |
| Total Trade Receivables | 4,34,150 | 10,30,280 | 10,31,350 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

6. Cash and cash equivalents

(in ₹)

| Particulars | As at | | |
|--|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| i) Balance with banks | | | |
| In Current Accounts | 46,583 | 89,237 | 89,285 |
| ii) Cash on Hand | 804 | 804 | |
| Total Cash and Cash equivalents | 47,387 | 90,041 | 89,285 |

7. Loans

(in ₹)

| Particulars | As at | | |
|---|---------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | | | |
| Loan to Other Body Corporates and others (Refer Note 27) | 12,58,21,153 | 13,07,66,153 | 10,02,71,153 |
| Other Deposits | 1,33,00,000 | 1,90,00,000 | 5,00,00,000 |
| Total Loans | 13,91,21,153 | 14,97,66,153 | 15,02,71,153 |

8. Current Tax Assets

(in ₹)

| Particulars | As at | | |
|---|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Advance Income Tax (Net of Provision ₹16,83,209 (As at 31st March, 2017: ₹16,83,209 As at 1st April, 2016: ₹16,83,209)) | 14,92,112 | 13,54,937 | 13,54,937 |
| Total Current Tax Assets | 14,92,112 | 13,54,937 | 13,54,937 |

9. Other Current Assets

(in ₹)

| Particulars | As at | | |
|-----------------------------------|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | 13,49,684 | 13,47,618 | 13,47,618 |
| Other Advances | | | |
| Total Other Current Assets | 13,49,684 | 13,47,618 | 13,47,618 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

10. Share Capital

(in ₹)

| Particulars | As at | | |
|--|------------------------|-----------------|-----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Authorised | | | |
| Equity Share Capital | | | |
| 8,49,00,00,000 Equity Shares of ₹10/- each | 84,90,00,00,000 | 84,90,00,00,000 | 84,90,00,00,000 |
| Preference Share Capital | | | |
| 1,00,00,00,000 Preference Shares of ₹10 each | 10,00,00,00,000 | 10,00,00,00,000 | 10,00,00,00,000 |
| Issued Subscribed and Fully Paid-up Capital | | | |
| 86,11,878 Equity Shares of ₹10/- each | 8,61,18,780 | 8,61,18,780 | 8,61,18,780 |
| Total | 8,61,18,780 | 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

(in ₹)

| Particulars | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|--|------------------|--------------------|----------------|-------------|----------------|-------------|
| | Number | ₹ | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 86,11,878 | 8,61,18,780 | 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 | 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 preceeding 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

The details of shareholders holding more than 5% shares as at March 31, 2018 and March 31, 2017 are set out below:

| Particulars | (in ₹) | | | | | |
|----------------------------------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | As at March 31, 2018 | | As at March 31, 2017 | | As at April 01, 2016 | |
| Equity Shares | | | | | | |
| Mr. Sohel Malik | - | - | - | - | 17,65,000 | 20.49% |
| 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% | 13,78,405 | 16.01% |
| M/s. Fortune Private Equity, LLC | 11,00,000 | 12.77% | 11,00,000 | 12.77% | 11,00,000 | 12.77% |

Rights, Preferences and Restrictions

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

The equity shareholders shall have:

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

11. Other Equity

(in ₹)

| Particulars | As at | | |
|---|-----------------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| SECURITIES PREMIUM RESERVE - Opening Balance | 88,00,000 | 88,00,000 | 88,00,000 |
| Add: Receipt during the year | | - | - |
| | 88,00,000 | 88,00,000 | 88,00,000 |
| GENERAL RESERVE - Opening Balance | 30,60,79,105 | 30,60,79,105 | 30,60,79,105 |
| Add: Transfer from Surplus | | - | - |
| | 30,60,79,105 | 30,60,79,105 | 30,60,79,105 |
| SURPLUS / (DEFICIT) - Opening Balance | (33,02,55,579) | (6,12,33,044) | (6,01,67,843) |
| Add: Net loss after tax transferred from Statement of Profit and Loss | (8,56,282) | (26,90,22,535) | (10,65,201) |
| | (33,11,11,861) | (33,02,55,579) | (6,12,33,044) |
| Less: Appropriations: | | | |
| SURPLUS / (DEFICIT) - Closing Balance | (33,11,11,861) | (33,02,55,579) | (6,12,33,044) |
| Total Other Equity | (1,62,32,756) | (1,53,76,474) | 25,36,46,061 |

12. Borrowings

(in ₹)

| Particulars | As at | | |
|--|----------------|----------------|--------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Long term borrowings (Refer note below) | - | - | 7,00,00,000 |
| Total Borrowings | - | - | 7,00,00,000 |

Note :

4.5% Redeemable Cumulative Preference Shares of ₹10/- each fully paid up

13. Trade Payables

(in ₹)

| Particulars | As at | | |
|-----------------------------|-----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Trade Payables | 9,93,011 | 10,20,898 | 7,56,705 |
| Total Trade payables | 9,93,011 | 10,20,898 | 7,56,705 |

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.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

(c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

14. Other Current Financial Liabilities

| Particulars | (in ₹) | | |
|--|--------------------|--------------------|--------------------|
| | As at | | |
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Current maturities of Long term debts | 3,40,00,000 | 7,00,00,000 | - |
| Other Liabilities | | | |
| Other payables | 3,58,28,770 | 1,00,74,746 | 1,00,69,019 |
| Total Other Current Financial Liabilities | 6,98,28,770 | 8,00,74,746 | 1,00,69,019 |

Note : Current maturities of long term debts consists 4.5% Cumulative Preference Shares redeemed during FY 2017-18 as per maturity, balance payable of ₹34,000,000.(Previous year 7,000,000 4.5% Redeemable Cumulative Preference Shares of ₹10 each fully paid up)

15. Other Current Liabilities

| Particulars | (in ₹) | | |
|--|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Statutory Liabilities | - | 14,398 | 1,329 |
| Total Other Current Liabilities | - | 14,398 | 1,329 |

16. Current Tax Liabilities

| Particulars | (in ₹) | | |
|--|------------------|------------------|------------------|
| | As at | | |
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Provision for Income Tax (Net of Advance Tax ₹11,36,527 | 17,36,681 | 17,36,681 | 17,36,681 |
| (As at 31st March, 2017: ₹ 11,36,527 As at 1st April, 2016: ₹11,36,527)) | | | |
| Total Other Current Liabilities | 17,36,681 | 17,36,681 | 17,36,681 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

17. Revenue From Operations

(in ₹)

| Particulars | As at | |
|--------------------------------------|-----------------|-----------------|
| | 2017-18 | 2016-17 |
| Revenue | 2,22,750 | 2,20,150 |
| Total Revenue from Operations | 2,22,750 | 2,20,150 |

18. Other Income

(in ₹)

| Particulars | As at | |
|---------------------------|--------------|----------|
| | 2017-18 | 2016-17 |
| Exchange Gain (Net) | 29 | - |
| Miscellaneous Income | 4,655 | - |
| Total Other Income | 4,684 | - |

19. Employee Benefit Expenses

(in ₹)

| Particulars | As at | |
|--|---------------|---------------|
| | 2017-18 | 2016-17 |
| Salaries, Allowances and Bonus | 32,024 | 48,024 |
| Staff Welfare | 2,000 | 1,750 |
| Contribution to Provident Fund and Other Funds | 1,222 | 1,272 |
| Total Employee Benefit Expenses | 35,246 | 51,046 |

20. Finance Costs

(in ₹)

| Particulars | As at | |
|----------------------------|--------------|--------------|
| | 2017-18 | 2016-17 |
| Bank Charges | 2,074 | 2,473 |
| Interest Expense | - | - |
| Total Finance Costs | 2,074 | 2,473 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

21. Other Expenses

| Particulars | As at | |
|--------------------------------------|------------------|-----------------|
| | 2017-18 | 2016-17 |
| Conveyance and Traveling | 2,000 | - |
| Legal and Professional Fees | 85,246 | 1,00,674 |
| Communication Expenses | 19,471 | 4,196 |
| Electricity and Water Charges | 5,000 | - |
| Printing & Stationery | 1,34,448 | 1,19,216 |
| Exchange Loss (Net) | - | 1,303 |
| Provision for loans and advances | - | - |
| Provision for bad and doubtful debts | - | - |
| Miscellaneous Expenses | 7,75,232 | 7,04,545 |
| Remuneration to Auditors | | |
| - Statutory Audit | 25,000 | 25,000 |
| Total Other Expenses | 10,46,396 | 9,54,935 |

22. Contingent Liabilities:

| Particulars | As at | | |
|--|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| 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 | 30,19,029 |

23. Employee Benefits :

Post-employment benefits plans

(a) Defined Contribution Plans –

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

(b) Defined Benefit Plans –

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

i. The disclosure requirement for Secondary Segment as per the Ind-AS - 108 is as under: (in ₹)

| SECONDARY SEGMENT (Geographical Segment based on Sales Continent viz) | | |
|--|-----------------|----------------|
| | 2017-18 | 2016-17 |
| Segment Revenue | | |
| Asia | 2,22,750 | 2,20,150 |
| Total Revenue from Operations | 2,22,750 | 2,20,150 |

25 Related party transactions:

List of Related Parties:-

A. With whom no transaction during the year :-

a. Wholly owned Subsidiary Company

M/s Genesys Enterprises Inc., USA

b. Key Management Personnel

| Name of Personnel | Designation |
|--------------------------|---------------------------------------|
| Mr. Sajid Malik | Managing Director |
| Mrs. Saroja Malik | Director |
| Mr. Sohel Malik | President-Genesys Enterprises Inc-USA |

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. Associate Enterprises

M/s Genesys International Corporation Ltd.

Details of Transactions with related parties are as follows :

(in ₹)

| Nature of Transactions | Associated Enterprises |
|--|-------------------------------|
| Redeemed cumulative preference shares : | |
| 4.5% Redeemable Cumulative Preference Shares of ₹10/- each fully paid up | 7,00,00,000 |
| | (-) |
| Closing Balance | |
| Amount payable | 3,40,00,000 |
| | (-) |

Note : Figures in brackets are for the previous year

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

(in ₹)

| Particulars | As at | | |
|--|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Deferred Tax Assets | | | |
| Fixed Assets (Depreciation/Amortization) | 4,44,918 | 4,98,442 | 5,58,635 |
| Provision for Doubtful Debts | 89,86,850 | 89,86,850 | 89,86,850 |
| Total | 94,31,768 | 94,85,292 | 95,45,485 |
| Deferred Tax Liability | | - | - |
| Net Deferred Tax (Liability)/Assets | 94,31,768 | 94,85,292 | 95,45,485 |

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.

27 Loans to other body corporate include :

(in ₹)

| Particulars | As at | | |
|---------------------------|---------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Ekveera Marketing Pvt Ltd | 2,22,38,950 | 3,22,38,950 | 3,22,38,950 |
| Gopesh Impex Pvt Ltd | 3,49,90,298 | 3,49,90,298 | 74,90,298 |
| Saurav Impex Pvt Ltd | 6,85,91,905 | 6,35,36,905 | 6,05,41,905 |
| Total | 12,58,21,153 | 13,07,66,153 | 10,02,71,153 |

Note : All the above loans are given for business purpose

28. Earnings per share:

(in ₹)

| Particulars | As at | |
|--|------------|----------------|
| | 2017-18 | 2016-17 |
| 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 (₹) | (8,56,282) | (26,90,22,535) |
| Basic EPS (₹) | (0.10) | (31.24) |
| Diluted EPS (₹) | (0.10) | (31.24) |
| Nominal value of Shares (₹) | 10 | 10 |

29. During the previous year wholly owned subsidiary has filed for voluntary dissolution with the Secretary of State of New York. Hence, the company has provided for the diminution in the value of investment of ₹268,234,232/- in its books of accounts in previous year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

30. Exchange Differences

During the period realized and unrealized exchange loss amounting to ₹29 (Previous Year: exchange loss of ₹1,303) is included in the profit and loss account.

31. Financial Instruments

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

(in ₹)

| Particulars | As at | | As at | | As at | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| Investments (Refer Note 4) | - | - | - | - | 26,82,34,232 | 26,82,34,232 |
| Trade Receivables (Refer Note 5) | 4,34,150 | 4,34,150 | 10,30,280 | 10,30,280 | 10,31,350 | 10,31,350 |
| Cash & Cash equivalents (Refer Note 6) | 47,387 | 47,387 | 90,041 | 90,041 | 89,285 | 89,285 |
| Loans (Refer Note 7) | 13,91,21,153 | 13,91,21,153 | 14,97,66,153 | 14,97,66,153 | 15,02,71,153 | 15,02,71,153 |
| | - | - | - | - | - | - |
| Total | 13,96,02,690 | 13,96,02,690 | 15,08,86,474 | 15,08,86,474 | 41,96,26,020 | 41,96,26,020 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| Borrowings (Refer Note 12) | | | | | 7,00,00,000 | 7,00,00,000 |
| Trade Payables (Refer Note 13) | 9,93,011 | 9,93,011 | 10,20,898 | 10,20,898 | 7,56,705 | 7,56,705 |
| Other Financial Liabilities (Refer Note 14) | 6,98,28,770 | 6,98,28,770 | 8,00,74,746 | 8,00,74,746 | 1,00,69,019 | 1,00,69,019 |
| Total | 7,08,21,781 | 7,08,21,781 | 8,10,95,644 | 8,10,95,644 | 8,08,25,724 | 8,08,25,724 |

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, 2018

| Particulars | As at March 31, 2018 | | | As at March 31, 2017 | | | As at 1st April, 2016 | | |
|---|----------------------|---------|--------------|----------------------|---------|--------------|-----------------------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| At Amortised Cost | | | | | | | | | |
| Investments (Refer Note 4) | - | - | - | - | - | - | - | - | 26,82,34,232 |
| Trade Receivables (Refer Note 5) | - | - | 4,34,150 | - | - | 10,30,280 | - | - | 10,31,350 |
| Cash & Cash equivalents (Refer Note 6) | - | - | 47,387 | - | - | 90,041 | - | - | 89,285 |
| Loans (Refer Note 7) | - | - | 13,91,21,153 | - | - | 14,97,66,153 | - | - | 15,02,71,153 |
| Subtotal | - | - | 13,96,02,690 | - | - | 15,08,86,474 | - | - | 41,96,26,020 |
| Financial Liabilities | | | | | | | | | |
| At Amortised Cost | | | | | | | | | |
| Borrowings (Refer Note 12) | - | - | - | - | - | - | - | - | 7,00,00,000 |
| Trade Payables (Refer Note 13) | - | - | 9,93,011 | - | - | 10,20,898 | - | - | 7,56,705 |
| Other Financial Liabilities (Refer Note 14) | - | - | 6,98,28,770 | - | - | 8,00,74,746 | - | - | 1,00,69,019 |
| Subtotal | - | - | 7,08,21,781 | - | - | 8,10,95,644 | - | - | 8,08,25,724 |

"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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

32. Financial risk management objectives:

Financial risk management:

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

1. Credit Risk

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

2. Liquidity Risk

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

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

33. Transition to Ind AS

(i) Overall Principal

These are the Company's first standalone financial statements prepared in accordance with IND-AS

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

A. Exemptions and exceptions availed

Set out below are the applicable IND-AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND-AS.

1. Property, Plant and Equipment

IND-AS 101 permits a first - time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

2. Intangible Assets

The Company has elected to treat the carrying value as deemed cost for all items of Intangible Assets.

3. Investment in subsidiary companies

IND-AS 101 permits a first - time adopter to carry investments in subsidiary as per the previous GAAP carrying amount as its deemed cost as on the date of transition or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies under previous GAAP carrying amount as its deemed cost on the transition date.

B. IND-AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with IND-AS, at the date of transition to IND-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

IND-AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with IND-AS at the date of transition as these were not required under previous GAAP i.e. Impairment of financial assets based on expected credit loss model.

2. De-recognition of financial assets and liabilities

IND-AS 101 requires a first - time adopter to apply the de-recognition provisions of IND-AS 109 prospectively for transactions occurring on or after the date of transition to IND-AS. However, IND-AS 101 allows a first – time adopter to apply the de - recognition requirements in IND-AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply INDAS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the de-recognition provisions of IND-AS 109 prospectively from the date of transition to IND-AS."

3. Classification and measurement of financial assets

IND-AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND-AS.

4. Investments in subsidiaries and associates

IND-AS 101 allows an entity to account for investment in subsidiaries and associates at cost or in accordance with IND-AS 109. The Company has opted to recognise these investments at cost.

5. Foreign Currency Monetary Items

In terms of para D13AA of Ind-AS 101, the company may continue to account for foreign exchange differences relating to long-term foreign currency monetary items as per previous IGAAP. The company has elected to apply the same.

C. Transition to IND AS - Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017
- II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017 and Other Equity as at April 1, 2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

I) Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017

| Particulars | Note No. | March 31, 2017 | IND AS Adjust-ments | March 31, 2017 | April 01, 2016 | IND AS Adjust-ments | April 01, 2016 |
|--------------------------------------|----------|---------------------|----------------------|---------------------|---------------------|----------------------|---------------------|
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| I. ASSETS | | | | | | | |
| 1) Non-Current Assets | | | | | | | |
| a) Property, Plant and Equipment | 3 (a) | | | | | | |
| b) Intangible Assets | 3 (b) | - | - | - | - | - | - |
| c) Financial Assets: | | | | | | | |
| Non-Current Investments | 4 | - | - | - | 26,82,34,232 | - | 26,82,34,232 |
| Total Non-Current Assets | | - | - | - | 26,82,34,232 | - | 26,82,34,232 |
| 2) Current Assets | | | | | | | |
| a) Financial Assets: | | | | | | | |
| Trade Receivables | 5 | 10,30,280 | - | 10,30,280 | 10,31,350 | - | 10,31,350 |
| Cash and Cash Equiv- alents | 6 | 90,041 | - | 90,041 | 89,285 | - | 89,285 |
| Loans | 7 | 14,97,66,153 | - | 14,97,66,153 | 15,02,71,153 | - | 15,02,71,153 |
| b) Current Tax Assets (Net) | 8 | 13,54,937 | - | 13,54,937 | 13,54,937 | - | 13,54,937 |
| c) Other Current Assets | 9 | 13,47,618 | - | 13,47,618 | 13,47,618 | - | 13,47,618 |
| Total Current Assets | | 15,35,89,029 | - | 15,35,89,029 | 15,40,94,343 | - | 15,40,94,343 |
| TOTAL ASSETS | | 15,35,89,029 | - | 15,35,89,029 | 42,23,28,575 | - | 42,23,28,575 |
| II. EQUITY AND LIABILITIES | | | | | | | |
| 1) Equity | | | | | | | |
| a) Share Capital | 10 | 15,61,18,780 | (7,00,00,000) | 8,61,18,780 | 15,61,18,780 | (7,00,00,000) | 8,61,18,780 |
| b) Other Equity | 11 | (1,53,76,475) | - | (1,53,76,475) | 25,36,46,061 | - | 25,36,46,061 |
| Total Equity | | 14,07,42,305 | (7,00,00,000) | 14,07,42,305 | 40,97,64,841 | (7,00,00,000) | 33,97,64,841 |
| Liabilities | | | | | | | |
| 2) Non-Current Liabilities | | | | | | | |
| a) Financial Liabilities: | | | | | | | |
| Borrowings | 12 | - | - | - | - | 7,00,00,000 | 7,00,00,000 |
| Total Non-Current Liabilities | | - | - | - | - | 7,00,00,000 | 7,00,00,000 |
| 3) Current Liabilities | | | | | | | |
| a) Financial Liabilities: | | | | | | | |
| Trade Payables | 12 | 10,20,899 | - | 10,20,899 | 7,56,705 | - | 7,56,705 |
| Other Current Financial Liabilities | 13 | 1,00,74,746 | 7,00,00,000 | 8,00,74,746 | 1,00,69,019 | - | 1,00,69,019 |
| b) Other Current Liabilities | 14 | 14,398 | - | 14,398 | 1,329 | - | 1,329 |
| c) Current Tax liabilities (Net) | 15 | 17,36,681 | - | 17,36,681 | 17,36,681 | - | 17,36,681 |
| Total Current Liabilities | | 1,28,46,724 | 7,00,00,000 | 8,28,46,724 | 1,25,63,734 | - | 1,25,63,734 |
| Total Liabilities | | 1,28,46,724 | 7,00,00,000 | 1,28,46,724 | 1,25,63,734 | 7,00,00,000 | 1,25,63,734 |
| TOTAL EQUITY AND LIABILITIES | | 15,35,89,029 | - | 15,35,89,029 | 42,23,28,575 | - | 42,23,28,575 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

II. Reconciliation of Statement of Profit and Loss and Other Equity for the year ended March 31, 2017

(in ₹)

| Particulars | Net Profit Year ended | Other Equity As at | |
|--|-----------------------|--------------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Net Profit / Other Equity as per previous Indian GAAP | (26,90,22,535) | (1,53,76,474) | 25,36,46,061 |
| Add / Less: Specified Adjustment if any | - | - | - |
| Net Profit / (Loss) as per previous IND AS before Other Comprehensive Income | (26,90,22,535) | - | - |
| Add: Other Comprehensive Income | - | - | - |
| Other Comprehensive income / Other Equity as per previous IND AS | (26,90,22,535) | (1,53,76,475) | 25,36,46,061 |

(ii) Application of New and Revised Ind AS's

- a). Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.
- b). Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The company will adopt the standard on April 1, 2018.

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

34. 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.

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

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

INDEPENDENT AUDITORS' REPORT

To the Members of

GI Engineering Solutions Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GI Engineering Solutions Limited (herein after referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind AS Financial Statements. The respective Board of Directors of the Company and its subsidiary company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its subsidiary company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent;

and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standard and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the standards on auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of Consolidated state of affairs of the Group as at March 31, 2018;
- (b) In the case of Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) In the case of Consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.
- (d) In the case of Consolidated changes in equity of the Group for the year ended on that date.

Other Matters

The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated May 30, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the difference in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, and subsidiary company incorporated outside India including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding and subsidiary Company.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary company incorporated outside India including relevant records relating to the preparation of the Consolidated Ind AS Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company and the subsidiary company incorporated outside India, none

of the directors of the Holding Company and its subsidiary company incorporated outside India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated outside India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Holding Company and its subsidiary company – Refer Note 21 to the Consolidated Ind AS Financial Statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by Holding company incorporated in India and its subsidiary Company incorporated outside India, during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018

For SACHIN PHADKE & ASSOCIATES

Chartered Accountants
Firm Registration No 133898W

Sachin Phadke
Proprietor
Membership No.117084

Place: Mumbai,
Date: 30th May, 2018

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of GI Engineering Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, incorporated outside India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Holding Company and its subsidiary company which are incorporated in India

and USA respectively have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SACHIN PHADKE & ASSOCIATES

Chartered Accountants
Firm Registration No 133898W

Sachin Phadke

Proprietor
Membership No.117084

Place: Mumbai,
Date: 30th May, 2018

GI ENGINEERING SOLUTIONS LIMITED

CONSOLIDATED BALANCE SHEET

As At March 31, 2018

| Particulars | Note No. | March 31, 2018 ₹ | March 31, 2017 ₹ | April 01, 2016 ₹ |
|--------------------------------------|----------|---------------------|---------------------|---------------------|
| I. ASSETS | | | | |
| 1) Non-Current Assets | | | | |
| a) Property, Plant and Equipment | 2(a) | - | - | - |
| b) Intangible Assets | 2(b) | 96,58,625 | 96,58,625 | 96,58,625 |
| | | 96,58,625 | 96,58,625 | 96,58,625 |
| c) Financial Assets: | | | | |
| Other Financial Assets | 3 | - | - | 2,27,424 |
| d) Other Non Current Assets | 4 | - | - | 2,06,989 |
| Total Non-Current Assets | | - | 96,58,625 | 1,00,93,038 |
| 2) Current Assets | | | | |
| a) Financial Assets: | | | | |
| Trade Receivables | 5 | 4,34,150 | 10,30,280 | 27,93,79,297 |
| Cash and Cash Equivalents | 6 | 2,08,145 | 2,50,698 | 3,55,540 |
| Loans | 7 | 13,91,21,153 | 14,97,66,153 | 15,02,71,153 |
| b) Current Tax Assets (Net) | 8 | 14,92,112 | 13,54,937 | 13,54,937 |
| c) Other Current Assets | 9 | 13,49,684 | 13,47,618 | 5,48,74,658 |
| Total Current Assets | | 14,26,05,243 | 15,37,49,686 | 48,62,35,585 |
| TOTAL ASSETS | | 15,22,63,868 | 16,34,08,311 | 49,63,28,623 |
| II. EQUITY AND LIABILITIES | | | | |
| 1) Equity | | | | |
| a) Share Capital | 10 | 8,61,18,780 | 8,61,18,780 | 8,61,18,780 |
| b) Other Equity | 11 | (64,13,376) | (55,57,193) | 30,07,71,220 |
| Total Equity | | 7,97,05,404 | 8,05,61,587 | 38,68,90,000 |
| Liabilities | | | | |
| 1) Non-Current Liabilities | | | | |
| a) Financial Liabilities: | | | | |
| Borrowings | 12 | - | - | 7,00,00,000 |
| Total Non-Current Liabilities | | - | - | 7,00,00,000 |
| 2) Current Liabilities | | | | |
| a) Financial Liabilities: | | | | |
| Trade Payables | 13 | 9,93,013 | 10,20,899 | 44,31,564 |
| Other Current Financial Liabilities | 14 | 6,98,28,770 | 8,00,74,746 | 3,32,69,049 |
| b) Other Current Liabilities | 15 | - | 14,398 | 1,329 |
| c) Current Tax liabilities (Net) | 16 | 17,36,681 | 17,36,681 | 17,36,681 |
| Total Current Liabilities | | 7,25,58,464 | 8,28,46,724 | 3,94,38,623 |
| Total Liabilities | | 7,25,58,464 | 8,28,46,724 | 3,94,38,623 |
| TOTAL EQUITY AND LIABILITIES | | 15,22,63,868 | 16,34,08,311 | 49,63,28,623 |

III. Notes forming integral part of the Ind AS Financial Statements 1 to 35

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | Note No. | March 31, 2018 ₹ | March 31, 2017 ₹ |
|---|----------|---------------------|-----------------------|
| I. Income | | | |
| Revenue from Operations | 17 | 2,22,750 | 2,20,150 |
| Other Income | 18 | 4,684 | 1,46,94,110 |
| Total Revenue | | 2,27,434 | 1,49,14,260 |
| II. Expenses | | | |
| Employee Benefit Expenses | 19 | 35,246 | 51,046 |
| Finance Costs | 20 | 2,074 | 19,973 |
| Depreciation and Amortization Expense | 2 | - | - |
| Other Expenses | 21 | 10,46,396 | 32,78,59,079 |
| Total Expenses | | 10,83,716 | 32,79,30,098 |
| III. Profit/(Loss) Before Tax | | (8,56,282) | (26,90,22,535) |
| VI. Tax Expense: | | | |
| Current Tax | | - | - |
| Tax Adjustment for earlier years | | - | (6,89,723) |
| V. Profit / (Loss) from continued operations after tax | | (8,56,282) | (31,23,26,115) |
| VI. Profit / (Loss) from discontinued operations | | - | - |
| VII. Tax Expense of discontinued operations | | - | - |
| VIII. Profit/(Loss) from Discontinued Operations after Tax | | - | - |
| Other Comprehensive Income for the year, net of tax | | - | - |
| IX. Total Comprehensive income for the year, net of tax | | (8,56,282) | (26,90,22,535) |
| X. EARNINGS PER EQUITY SHARE | 28 | | |
| Equity Shares of face value of ₹ 10 each | | | |
| Basic & Diluted - Before exceptional Items | | (0.10) | (0.09) |
| Basic & Diluted - After exceptional Items | | (0.10) | (31.24) |
| Number of shares used in computing earnings per share | | 86,11,878 | 86,11,878 |

XII Notes forming integral part of the Ind AS Financial Statements 1 to 35

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

GI ENGINEERING SOLUTIONS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

| Particulars | Note no. | March 31, 2018 ₹ | March 31, 2017 ₹ |
|--|----------|---------------------|----------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax and extraordinary items | | (8,56,282) | (31,30,15,839) |
| Adjustments for: | | | |
| Provision for Doubtful loans and advances | | | 5,51,54,234 |
| Provision for bad and doubtful debts | | | 27,17,49,911 |
| Bank charges to consider separate below | | 2,074 | 19,973 |
| | | <u>2,074</u> | <u>32,69,24,118</u> |
| Operating Profit before working capital changes | | (8,54,208) | 1,39,08,279 |
| Adjusted for: | | | |
| (Increase)/Decrease in Trade Receivables | | 5,96,130 | 65,99,106 |
| (Increase) / Decrease in Loans | | 1,06,45,000 | (6,87,781) |
| (Increase) / Decrease in Other Assets | | (1,39,241) | - |
| Increase / (Decrease) in Financial liabilities | | (1,02,60,274) | (2,31,81,234) |
| Increase / (Decrease) in Other Current Liabilities | | (27,886) | (34,10,665) |
| | | <u>8,13,730</u> | <u>(2,06,80,574)</u> |
| Cash Generated from Operations | | (40,478) | (67,72,295) |
| Income Taxes (Paid) / Refund received | | - | 6,89,723 |
| Net Cash Flow from Operating Activities [A] | | <u>(40,478)</u> | <u>(60,82,572)</u> |
| B CASH FLOW FROM INVESTING ACTIVITIES | | - | - |
| Net Cash used in Investing Activities [B] | | - | - |

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| Particulars | Note no. | March 31, 2018 ₹ | March 31, 2017 ₹ |
|--|----------|---------------------|---------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Bank charges | | (2,074) | (19,973) |
| Net Cash Flow from Financing Activities [C] | | <u>(2,074)</u> | <u>(19,973)</u> |
| Net Increase in Cash & Cash Equivalents [A+B+C] | | <u>(42,552)</u> | <u>(61,02,545)</u> |
| Exchange difference on translation of foreign currency accounts/deposits | | - | 59,97,703 |
| Cash & Bank Balance (Opening Balance) | | <u>2,50,698</u> | <u>3,55,540</u> |
| Cash & Bank Balance (Closing Balance) | 6 | <u>2,08,146</u> | <u>2,50,698</u> |
| Cash & Bank balance comprise | | | |
| Balance with Banks | | <u>2,08,145</u> | <u>2,50,698</u> |
| Cash & Bank Balance as at the end of the year | | <u>2,08,145</u> | <u>2,50,698</u> |

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

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

GI ENGINEERING SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity share capital

| Particulars | Notes | No. of shares | (₹) |
|---|-----------|------------------|--------------------|
| Balance as at April 1, 2016 | | 86,11,878 | 8,61,18,780 |
| Changes in equity share capital during the year | | - | - |
| Balance as at March 31, 2017 | | 86,11,878 | 8,61,18,780 |
| Changes in equity share capital during the year | | - | - |
| Balance as at March 31, 2018 | 10 | 86,11,878 | 8,61,18,780 |

(B) Other Equity

| Particulars | Notes | General Reserve | Securities Premium | Retained Earnings | Exchange Fluctuation Reserve | Total Other Equity (in ₹) |
|-----------------------------|-------|-----------------|--------------------|-------------------|------------------------------|---------------------------|
| Balance as at April 1, 2016 | | 29,98,48,078 | 88,00,000 | (9,41,63,868) | 8,62,87,009 | 30,07,71,219 |
| Profit for the year | | - | - | (31,23,26,115) | - | (31,23,26,115) |
| for the year | | - | - | - | 59,97,703 | 59,97,703 |
| As at March 31, 2017 | | 29,98,48,078 | 88,00,000 | (40,64,89,983) | 9,22,84,712 | (55,57,193) |
| Profit for the year | | - | - | (8,56,282) | - | (8,56,282) |
| for the year | | - | - | - | 100 | 100 |
| As at March 31, 2018 | 11 | 29,98,48,078 | 88,00,000 | (40,73,46,265) | 9,22,84,812 | (64,13,376) |

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

For and on behalf of the Board Of Directors

Sachin Phadke
(Proprietor)
 Membership No. 117084
 Date: May 30, 2018
 Place: MUMBAI

SAJID MALIK
 MANAGING DIRECTOR
 DIN No.00400366

SAROJA MALIK
 DIRECTOR
 DIN No.00400421
 Date : May 30, 2018
 Place: MUMBAI

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

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

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

Authorisation of Financial Statements : The consolidated financial statements of the Group for the year ended March 31, 2018 were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on May, 30, 2018

1. Significant Accounting Policies

A. Basis of Preparation of Consolidated Financial Statements

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

The consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Group had prepared its consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

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

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

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

PRINCIPLES OF CONSOLIDATION

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

List of subsidiary considered in the consolidated financial statements:

| Name of the Entity | Nature of Relationship | Country of Incorporation | Percentage Holding | |
|--------------------------|-------------------------|--------------------------|---------------------|---------------------|
| | | | As at 31.03.2018 | As at 31.03.2017 |
| Genesys Enterprises Inc. | Wholly owned Subsidiary | USA | 100% | 100% |

B Use of Estimates and Judgments:

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

Critical estimates and judgments

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

C Current / Non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

D) Revenue recognition and expenses

Revenues are recognized on accrual basis. Revenue from operations is accounted for on the basis of services rendered and billed to / accepted by clients.

Revenue from the sale of goods measured at the fair value of the consideration received or receivable net of return, trade discounts, taxes collected, rebates and other similar allowances. This inter alia involved discounting of the consideration due to present value if payment extends beyond normal credit terms

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

Interest Income:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, Plant and equipment.

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

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

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

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

Residual value is considered as Nil for all the assets.

(ii) Intangible Assets

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

Depreciation:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

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

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

Residual value is considered as Nil for all the assets.

- F) Foreign Currency Transactions
All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

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

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

c) Other Significant Accounting policies

These are set out under "Significant Accounting Policies" as given in the respective Ind AS financial statements of the Company and its subsidiary company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

2 (a). Property, Plant and equipment

(in ₹)

| Particulars | Computers | Furniture & Fictures | Office Equipments | Vehicles | Leasehold improvement | Total |
|-----------------------------|--------------------|----------------------|-------------------|------------------|-----------------------|--------------------|
| Gross Block | | | | | | |
| As at April 01, 2016 | 1,11,80,888 | 82,06,800 | 27,19,896 | 19,29,806 | 34,73,111 | 2,75,10,501 |
| Additions | - | - | - | - | - | - |
| Deductions | - | - | - | - | - | - |
| As at March 31, 2017 | 1,11,80,888 | 82,06,800 | 27,19,896 | 19,29,806 | 34,73,111 | 2,75,10,501 |
| Additions | - | - | - | - | - | - |
| Deductions | - | - | - | - | - | - |
| As at March 31, 2018 | <u>1,11,80,888</u> | <u>82,06,800</u> | <u>27,19,896</u> | <u>19,29,806</u> | <u>34,73,111</u> | <u>2,75,10,501</u> |
| Depreciation | | | | | | |
| As at April 01, 2016 | 1,11,80,888 | 82,06,800 | 27,19,896 | 19,29,806 | 34,73,111 | 2,75,10,501 |
| Charge for the year | - | - | - | - | - | - |
| Deductions | - | - | - | - | - | - |
| As at March 31, 2017 | 1,11,80,888 | 82,06,800 | 27,19,896 | 19,29,806 | 34,73,111 | 2,75,10,501 |
| Charge for the year | - | - | - | - | - | - |
| Deductions | - | - | - | - | - | - |
| As at March 31, 2018 | <u>1,11,80,888</u> | <u>82,06,800</u> | <u>27,19,896</u> | <u>19,29,806</u> | <u>34,73,111</u> | <u>2,75,10,501</u> |
| Net Block | | | | | | |
| As at March 31, 2017 | - | - | - | - | - | - |
| As at March 31, 2018 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

2 (b). Intangible Assets

(in ₹)

| Particulars | Computer Software | Goodwill on consolidation and other intangible assets | Total |
|-----------------------------|-------------------|---|---------------------|
| Gross Block | | | |
| As at April 01, 2016 | 2,73,558 | 1,63,10,186 | 1,65,83,744 |
| Additions | - | - | - |
| Deductions | - | - | - |
| As at March 31, 2017 | 2,73,558 | 1,63,10,186 | 1,65,83,744 |
| Additions | - | - | - |
| Deductions | - | - | - |
| As at March 31, 2018 | <u>2,73,558</u> | <u>1,63,10,186</u> | <u>1,65,83,744</u> |
| Depreciation | | | |
| As at April 01, 2016 | 2,73,558 | 66,51,561 | 69,25,119 |
| Charge for the year | - | - | - |
| Deductions | - | - | - |
| As at March 31, 2017 | 2,73,558 | 66,51,561 | 69,25,119 |
| Charge for the year | - | - | - |
| Deductions | - | - | - |
| As at March 31, 2018 | <u>2,73,558</u> | <u>66,51,561</u> | <u>69,25,119</u> |
| Net Block | | | |
| As at March 31, 2017 | - | 96,58,625.00 | 96,58,625.00 |
| As at March 31, 2018 | <u>-</u> | <u>96,58,625.00</u> | <u>96,58,625.00</u> |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

3. Other Financial Assets

(in ₹)

| Particulars | As at | | |
|-------------------------------------|----------------|----------------|-----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | | | |
| Loans | | | |
| Other Deposits | - | - | 2,27,424 |
| Total Other Financial Assets | - | - | 2,27,424 |

4. Other Non-Current Assets

(in ₹)

| Particulars | As at | | |
|-------------------------------------|----------------|----------------|-----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | | | |
| Prepaid Expenses | - | - | 2,06,989 |
| Total Other Financial Assets | - | - | 2,06,989 |

5. Trade receivables

(in ₹)

| Particulars | As at | | |
|--|-----------------|------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| (Unsecured, Considered good at amortised cost) | | | |
| Others | 2,95,17,808 | 3,01,13,938 | 32,71,62,803 |
| Less : Allowance for doubtful debts | 2,90,83,658 | 2,90,83,658 | 4,77,83,506 |
| Total Trade Receivables | 4,34,150 | 10,30,280 | 27,93,79,297 |

6. Cash and cash equivalents

(in ₹)

| Particulars | As at | | |
|--|-----------------|-----------------|-----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| i) Balance with banks | | | |
| In Current Accounts | 2,07,341 | 2,30,664 | 3,35,764 |
| ii) Cash on Hand | 804 | 20,034 | 19,776 |
| Total Cash and Cash equivalents | 2,08,145 | 2,50,698 | 3,55,540 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

7. Loans

(in ₹)

| Particulars | As at | | |
|---|---------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | | | |
| Loan to Other Body Corporates and others (Refer Note 27) | 13,91,21,153 | 14,97,66,153 | 15,02,71,153 |
| Total Loans | 13,91,21,153 | 14,97,66,153 | 15,02,71,153 |

8. Current Tax Assets

(in ₹)

| Particulars | As at | | |
|--|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Advance Income Tax (Net of Provision ₹ 16,83,209 (As at 31st March, 2017: ₹16,83,209 As at 1st April, 2016: ₹16,83,209)) | 14,92,112 | 13,54,937 | 13,54,937 |
| Total Current Tax Assets | 14,92,112 | 13,54,937 | 13,54,937 |

9. Other Current Assets

(in ₹)

| Particulars | As at | | |
|-----------------------------------|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | | | |
| Other Advances | 13,49,684 | 13,47,618 | 5,48,74,658 |
| Total Other Current Assets | 13,49,684 | 13,47,618 | 13,47,618 |

10. Equity Share Capital

(in ₹)

| Particulars | As at | | |
|--|--------------------|--------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Authorised | | | |
| Equity Share Capital | | | |
| 8,49,00,00,000 Equity Shares of ₹ 10/- each | 84,90,00,00,000 | 84,90,00,00,000 | 84,90,00,00,000 |
| Issued Subscribed and Fully Paid-up Capital | | | |
| 86,11,878 Equity Shares of ₹ 10/- each | 8,61,18,780 | 8,61,18,780 | 8,61,18,780 |
| Total | 8,61,18,780 | 8,61,18,780 | 8,61,18,780 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

(in ₹)

| Particulars | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
|--|------------------|--------------------|----------------|-------------|----------------|-------------|
| | Number | ₹ | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 86,11,878 | 8,61,18,780 | 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 | | | | | | |

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 preceeding the Balance Sheet date, the company has not:

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

The details of shareholders holding more than 5% shares as at March 31, 2018 and March 31, 2017 are set out below:

(in ₹)

| Particulars | As at | | As at | | As at | |
|----------------------------------|------------------|---------------|----------------|--------|----------------|--------|
| | March 31, 2018 | | March 31, 2017 | | April 01, 2016 | |
| Equity Shares | | | | | | |
| Mr. Sohel Malik | - | - | - | - | 17,65,000 | 20.49% |
| 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% | 13,78,405 | 16.01% |
| M/s. Fortune Private Equity, LLC | 11,00,000 | 12.77% | 11,00,000 | 12.77% | 11,00,000 | 12.77% |

Rights, Preferences and Restrictions

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

The equity shareholders shall have:

- 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;

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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(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.

11. Other Equity

| Particulars | As at | | |
|---|-----------------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| SECURITIES PREMIUM RESERVE - Opening Balance | 88,00,000 | 88,00,000 | 88,00,000 |
| Add: Receipt during the year | - | - | - |
| | 88,00,000 | 88,00,000 | 88,00,000 |
| GENERAL RESERVE - Opening Balance | 29,98,48,077 | 29,98,48,078 | 29,98,48,078 |
| Add: Transfer from Surplus | - | - | - |
| | 29,98,48,077 | 29,98,48,078 | 29,98,48,078 |
| EXCHANGE FLUCTUATION RESERVE - Opening Balance | 9,22,84,712 | 8,62,87,009 | 6,89,65,408 |
| Amount during the year | 100 | 59,97,703 | 1,73,21,602 |
| | 9,22,84,812 | 9,22,84,712 | 8,62,87,010 |
| SURPLUS / (DEFICIT) - Opening Balance | (40,64,89,983) | (9,41,63,868) | (9,14,49,759) |
| Add: Net loss after tax transferred from Statement of Profit and Loss | (8,56,282) | (31,23,26,115) | (27,14,109) |
| | (40,73,46,265) | (40,64,89,983) | (9,41,63,868) |
| Less: Appropriations: | | | |
| SURPLUS / (DEFICIT) - Closing Balance | (40,73,46,265) | (40,64,89,983) | (9,41,63,868) |
| Total Other Equity | (64,13,376) | (55,57,193) | 30,07,71,220 |

12. Borrowings

| Particulars | As at | | |
|--|----------------|----------------|--------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Long term borrowings (Refer note below) | - | - | 7,00,00,000 |
| Total Borrowings | - | - | 7,00,00,000 |

Note :

4.5% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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13. Trade Payables

(in ₹)

| Particulars | As at | | |
|-----------------------------|-----------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Trade Payables | 9,93,013 | 10,20,899 | 44,31,564 |
| Total Trade payables | 9,93,013 | 10,20,899 | 44,31,564 |

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.

14. Other Current Financial Liabilities

(in ₹)

| Particulars | As at | | |
|--|--------------------|--------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Current maturities of Long term debts | 3,40,00,000 | 7,00,00,000 | - |
| Other Liabilities | | | |
| Other payables | 3,58,28,770 | 1,00,74,746 | 1,00,69,019 |
| Total Other Current Financial Liabilities | 6,98,28,770 | 8,00,74,746 | 1,00,69,019 |

Note : Current maturities of long term debts consists 4.5% Cumulative Preference Shares redeemed during FY 2017-18 as per maturity, balance payable of ₹.34,00,00,000.(Previous year 7,00,00,000 4.5% Redeemable Cumulative Preference Shares of ₹.10 each fully paid up)

15. Other Current Liabilities

(in ₹)

| Particulars | As at | | |
|--|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Statutory Liabilities | - | 14,398 | 1,329 |
| Total Other Current Liabilities | - | 14,398 | 1,329 |

16. Current Tax Liabilities

(in ₹)

| Particulars | As at | | |
|---|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Provision for Income Tax (Net of Advance Tax ₹11,36,527 (As at 31st March, 2017: ₹11,36,527 As at 1st April, 2016: ₹11,36,527)) | 17,36,681 | 17,36,681 | 17,36,681 |
| Total Other Current Liabilities | 17,36,681 | 17,36,681 | 17,36,681 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

17. Revenue From Operations

(in ₹)

| Particulars | As at | |
|--------------------------------------|-----------------|-----------------|
| | 2017-18 | 2016-17 |
| Revenue | 2,22,750 | 2,20,150 |
| Total Revenue from Operations | 2,22,750 | 2,20,150 |

18. Other Income

(in ₹)

| Particulars | As at | |
|---------------------------|--------------|--------------------|
| | 2017-18 | 2016-17 |
| Exchange Gain (Net) | 29 | - |
| Miscellaneous Income | 4,655 | 1,46,94,110 |
| Total Other Income | 4,655 | 1,46,94,110 |

19. Employee Benefit Expenses

(in ₹)

| Particulars | As at | |
|--|---------------|---------------|
| | 2017-18 | 2016-17 |
| Salaries, Allowances and Bonus | 32,024 | 48,024 |
| Staff Welfare | 2,000 | 1,750 |
| Contribution to Provident Fund and Other Funds | 1,222 | 1,272 |
| Total Employee Benefit Expenses | 35,246 | 51,046 |

20. Finance Costs

(in ₹)

| Particulars | As at | |
|----------------------------|--------------|---------------|
| | 2017-18 | 2016-17 |
| Bank Charges | 2,074 | 19,973 |
| Total Finance Costs | 2,074 | 19,973 |

21. Other Expenses

(in ₹)

| Particulars | As at | |
|-----------------------------|---------|----------|
| | 2017-18 | 2016-17 |
| Conveyance and Traveling | 2,000 | - |
| Legal and Professional Fees | 85,246 | 1,00,674 |
| Communication Expenses | 19,471 | 4,196 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

| | | |
|--------------------------------------|------------------|---------------------|
| Electricity and Water Charges | 5,000 | - |
| Printing & Stationery | 1,34,448 | 1,19,216 |
| Exchange Loss (Net) | - | 1,303 |
| Provision for loans and advances | - | 5,51,54,234 |
| Provision for bad and doubtful debts | - | 27,17,49,911 |
| Miscellaneous Expenses | 7,75,232 | 7,04,545 |
| Remuneration to Auditors | | |
| - Statutory Audit | 25,000 | 25,000 |
| Total Other Expenses | 10,46,396 | 32,78,59,079 |

22. Contingent Liabilities:

(in ₹)

| Particulars | As at | | |
|--|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| 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 | 30,19,029 |

23. Employee Benefits :

Post-employment benefits plans

(a) Defined Contribution Plans –

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

(b) Defined Benefit Plans –

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

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

- The Company operates only in one Primary Segment i.e. GIS based services for the purpose of IND AS – 108 Segmental reporting, hence disclosure as per IND AS 108 'Operating Segment' is not required.
- The disclosure requirement for Secondary Segment as per the Accounting Standard - 17 is as under:

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FOR THE YEAR ENDED MARCH 31, 2018

- i. 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) | | |
| | 2017-18 | 2016-17 |
| Segment Revenue | | |
| Asia | 2,22,750 | 2,20,150 |
| Total Revenue from Operations | 2,22,750 | 2,20,150 |

25 Disclosure requirements as per the, IND AS -24 “ Related Party Disclosure;

List of Related Parties:-

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

a. Key Management Personnel

| Name of Personnel | Designation |
|--------------------------|---------------------------------------|
| Mr. Sajid Malik | Managing Director |
| Mrs. Saroja Malik | Director |
| Mr. Sohel Malik | President-Genesys Enterprises Inc-USA |

b. Principal Shareholder

M/s Kilam Holdings Ltd, Mauritius

c. Associate Enterprises

M/s. Valeo Nutra Private Limited

B. With whom transaction made during the year :-

- a. Associate Enterprises

M/s Genesys International Corporation Ltd.

Details of Transactions with related parties are as follows : (in ₹)

| Nature of Transactions | Associated Enterprises |
|---|-------------------------------|
| Redeemed cumulative preference shares : | |
| 4.5% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up | 7,00,00,000 |
| | (-) |
| Closing Balance | |
| Amount payable | 3,40,00,000 |
| | (-) |

Note : Figues in brackets are for the previous year

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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

(in ₹)

| Particulars | As at | | |
|--|------------------|--------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Deferred Tax Assets | | | |
| Fixed Assets (Depreciation/Amortization) | 4,44,918 | 4,98,442 | 5,58,635 |
| Provision for Doubtful Debts | 89,86,850 | 9,34,56,015 | 89,86,850 |
| Total | 94,31,768 | 9,39,54,457 | 95,45,485 |
| Deferred Tax Liability | - | - | - |
| Net Deferred Tax (Liability)/Assets | 94,31,768 | 9,39,54,457 | 95,45,485 |

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.

27 Loans to other body corporate include :

(in ₹)

| Particulars | As at | | |
|---------------------------|---------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Ekveera Marketing Pvt Ltd | 2,22,38,950 | 3,22,38,950 | 3,22,38,950 |
| Gopesh Impex Pvt Ltd | 3,49,90,298 | 3,49,90,298 | 74,90,298 |
| Saourav Impex Pvt Ltd | 6,85,91,905 | 6,35,36,905 | 6,05,41,905 |
| Total | 12,58,21,153 | 13,07,66,153 | 10,02,71,153 |

Note : All the above loans are given for business purpose

28. Earnings per share:

(in ₹)

| Particulars | As at | |
|--|------------|----------------|
| | 2017-18 | 2016-17 |
| 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 (₹) | (8,56,282) | (31,23,26,115) |
| Basic EPS (₹) | (0.10) | (36.27) |
| Diluted EPS (₹) | (0.10) | (36.27) |
| Nominal value of Shares (₹) | 10 | 10 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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29. During the previous year wholly owned subsidiary has filed for voluntary dissolution with the Secretary of State of New York. Hence, the company has provided for the diminution in the value of investment of ₹ 268,234,232/- in its books of accounts in previous year., However, for consolidation purpose, such provision in the diminution in the value of investment has been reversed.

30. Exchange Differences

During the period realized and unrealized exchange loss amounting to ₹ 29 (Previous Year: exchange loss of ₹1,303) is included in the profit and loss account.

31 Financial Instruments (Notes A & B attached)

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

| Particulars | (in ₹) | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at | | As at | | As at | |
| | Carrying Value | Fair Value | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| Other Financial Assets - Non Current (Refer Note 3) | - | - | - | - | 2,27,424 | 2,27,424 |
| Other Assets - Non Current (Refer Note 4) | - | - | - | - | 2,06,989 | 2,06,989 |
| Trade Receivables (Refer Note 5) | 4,34,150 | 4,34,150 | 10,30,280 | 10,30,280 | 27,93,79,297 | 27,93,79,297 |
| Cash & Cash equivalents (Refer Note 6) | 2,08,145 | 2,08,145 | 2,50,698 | 2,50,698 | 3,55,540 | 3,55,540 |
| Loans (Refer Note 7) | 13,91,21,153 | 13,91,21,153 | 14,97,66,153 | 14,97,66,153 | 15,02,71,153 | 15,02,71,153 |
| Total | 13,97,63,448 | 13,97,63,448 | 15,10,47,131 | 15,10,47,131 | 43,04,40,403 | 43,04,40,403 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| Borrowings (Refer Note 12) | | | | | 7,00,00,000 | 7,00,00,000 |
| Trade Payables (Refer Note 13) | 9,93,013 | 9,93,013 | 10,20,899 | 10,20,899 | 44,31,564 | 44,31,564 |
| Other Financial Liabilities (Refer Note 14) | 6,98,28,770 | 6,98,28,770 | 8,00,74,746 | 8,00,74,746 | 3,32,69,049 | 3,32,69,049 |
| Total | 7,08,21,783 | 7,08,21,783 | 8,10,95,645 | 8,10,95,645 | 3,77,00,613 | 3,77,00,613 |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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).

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As at 1st April, 2016

| Particulars | As at March 31, 2018 | | | As at March 31, 2017 | | | As at 1st April, 2016 | | |
|---|----------------------|---------|---------------------|----------------------|---------|---------------------|-----------------------|---------|---------------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| At Amortised Cost | | | | | | | | | |
| Other Financial Assets - Non Current (Refer Note 3) | - | - | - | - | - | - | - | - | 2,27,424 |
| Other Assets - Non Current (Refer Note 4) | - | - | - | - | - | - | - | - | 2,06,989 |
| Trade Receivables (Refer Note 5) | - | - | 4,34,150 | - | - | 10,30,280 | - | - | 27,93,79,297 |
| Cash & Cash equivalents (Refer Note 6) | - | - | 2,08,145 | - | - | 2,50,698 | - | - | 3,55,540 |
| Loans (Refer Note 7) | - | - | 13,91,21,153 | - | - | 14,97,66,153 | - | - | 15,02,71,153 |
| Subtotal | - | - | 13,97,63,448 | - | - | 15,10,47,131 | - | - | 43,04,40,403 |
| Financial Liabilities | | | | | | | | | |
| At Amortised Cost | | | | | | | | | |
| Borrowings (Refer Note 12) | - | - | - | - | - | - | - | - | 7,00,00,000 |
| Trade Payables (Refer Note 13) | - | - | 9,93,013 | - | - | 10,20,899 | - | - | 44,31,564 |
| Other Financial Liabilities (Refer Note 14) | - | - | 6,98,28,770 | - | - | 8,00,74,746 | - | - | 3,32,69,049 |
| Subtotal | - | - | 7,08,21,783 | - | - | 8,10,95,645 | - | - | 3,77,00,613 |

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.

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FOR THE YEAR ENDED MARCH 31, 2018

C. Financial risk management objectives:

Financial risk Factor:

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

1. Credit Risk

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

2. Liquidity Risk

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

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. Transition to Ind AS

(i) Overall Principal

These are the Company's first standalone financial statements prepared in accordance with IND-AS

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

A. Exemptions and exceptions availed

Set out below are the applicable IND-AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND-AS.

1. Property, Plant and Equipment

IND-AS 101 permits a first - time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to IND-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

2. Intangible Assets

The Company has elected to treat the carrying value as deemed cost for all items of Intangible Assets.

3. Investment in subsidiary companies

IND-AS 101 permits a first - time adopter to carry investments in subsidiary as per the previous GAAP carrying amount as its deemed cost as on the date of transition or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies under previous GAAP carrying amount as its deemed cost on the transition date.

B. IND-AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with IND-AS, at the date of transition to IND-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

IND-AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with IND-AS at the date of transition as these were not required under previous GAAP i.e. Impairment of financial assets based on expected credit loss model.

2. De-recognition of financial assets and liabilities

IND-AS 101 requires a first - time adopter to apply the de-recognition provisions of IND-AS 109 prospectively for transactions occurring on or after the date of transition to IND-AS. However, IND-AS 101 allows a first – time adopter to apply the de - recognition requirements in IND-AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply INDAS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the de-recognition provisions of IND-AS 109 prospectively from the date of transition to IND-AS.

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3. Classification and measurement of financial assets

IND-AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND-AS.

4. Investments in subsidiaries and associates

IND-AS 101 allows an entity to account for investment in subsidiaries and associates at cost or in accordance with IND-AS 109. The Company has opted to recognise these investments at cost.

5. Foreign Currency Monetary Items

In terms of para D13AA of Ind-AS 101, the company may continue to account for foreign exchange differences relating to long-term foreign currency monetary items as per previous IGAAP. The company has elected to apply the same.

C. Transition to IND AS - Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017
- II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017 and Other Equity as at April 1, 2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

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I) Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017

| Particulars | Note No. | March 31, 2017 ₹ | IND AS Adjust- ments ₹ | March 31, 2017 ₹ | April 01, 2016 ₹ | IND AS Adjust- ments ₹ | April 01, 2016 ₹ |
|--------------------------------------|----------|---------------------|------------------------------|---------------------|---------------------|------------------------------|---------------------|
| I. ASSETS | | | | | | | |
| 1) Non-Current Assets | | | | | | | |
| a) Property, Plant and Equipment | 3 (a) | | | | | | |
| b) Intangible Assets | 3 (b) | - | - | - | - | - | - |
| c) Financial Assets: | | | | | | | |
| Non-Current Investments | 4 | - | - | - | 26,82,34,232 | - | 26,82,34,232 |
| Total Non-Current Assets | | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,82,34,232</u> | <u>-</u> | <u>26,82,34,232</u> |
| 2) Current Assets | | | | | | | |
| a) Financial Assets: | | | | | | | |
| Trade Receivables | 5 | 10,30,280 | - | 10,30,280 | 10,31,350 | - | 10,31,350 |
| Cash and Cash Equivalents | 6 | 90,041 | - | 90,041 | 89,285 | - | 89,285 |
| Loans | 7 | 14,97,66,153 | - | 14,97,66,153 | 15,02,71,153 | - | 15,02,71,153 |
| b) Current Tax Assets (Net) | 8 | 13,54,937 | - | 13,54,937 | 13,54,937 | - | 13,54,937 |
| c) Other Current Assets | 9 | 13,47,618 | - | 13,47,618 | 13,47,618 | - | 13,47,618 |
| Total Current Assets | | <u>15,35,89,029</u> | <u>-</u> | <u>15,35,89,029</u> | <u>15,40,94,343</u> | <u>-</u> | <u>15,40,94,343</u> |
| TOTAL ASSETS | | <u>15,35,89,029</u> | <u>-</u> | <u>15,35,89,029</u> | <u>42,23,28,575</u> | <u>-</u> | <u>42,23,28,575</u> |
| II. EQUITY AND LIABILITIES | | | | | | | |
| 1) Equity | | | | | | | |
| a) Share Capital | 10 | 15,61,18,780 | (7,00,00,000) | 8,61,18,780 | 15,61,18,780 | (7,00,00,000) | 8,61,18,780 |
| b) Other Equity | 11 | (1,53,76,475) | - | (1,53,76,475) | 25,36,46,061 | - | 25,36,46,061 |
| Total Equity | | <u>14,07,42,305</u> | <u>(7,00,00,000)</u> | <u>14,07,42,305</u> | <u>40,97,64,841</u> | <u>(7,00,00,000)</u> | <u>33,97,64,841</u> |
| Liabilities | | | | | | | |
| 2) Non-Current Liabilities | | | | | | | |
| a) Financial Liabilities: | | | | | | | |
| Borrowings | 12 | - | - | - | - | 7,00,00,000 | 7,00,00,000 |
| Total Non-Current Liabilities | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,00,00,000</u> | <u>7,00,00,000</u> |
| 3) Current Liabilities | | | | | | | |
| a) Financial Liabilities: | | | | | | | |
| Trade Payables | 12 | 10,20,899 | - | 10,20,899 | 7,56,705 | - | 7,56,705 |
| Other Current Financial Liabilities | 13 | 1,00,74,746 | 7,00,00,000 | 8,00,74,746 | 1,00,69,019 | - | 1,00,69,019 |
| b) Other Current Liabilities | 14 | 14,398 | - | 14,398 | 1,329 | - | 1,329 |
| c) Current Tax liabilities (Net) | 15 | 17,36,681 | - | 17,36,681 | 17,36,681 | - | 17,36,681 |
| Total Current Liabilities | | <u>1,28,46,724</u> | <u>7,00,00,000</u> | <u>8,28,46,724</u> | <u>1,25,63,734</u> | <u>-</u> | <u>1,25,63,734</u> |
| Total Liabilities | | <u>1,28,46,724</u> | <u>7,00,00,000</u> | <u>1,28,46,724</u> | <u>1,25,63,734</u> | <u>7,00,00,000</u> | <u>1,25,63,734</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>15,35,89,029</u> | <u>-</u> | <u>15,35,89,029</u> | <u>42,23,28,575</u> | <u>-</u> | <u>42,23,28,575</u> |

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

II. Reconciliation of Statement of Profit and Loss and Other Equity for the year ended March 31, 2017

(in ₹)

| Particulars | Net Profit Year ended | Other Equity As at | |
|--|-----------------------|--------------------|----------------|
| | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Net Profit / Other Equity as per previous Indian GAAP | (26,90,22,535) | (1,53,76,474) | 25,36,46,061 |
| Add / Less: Specified Adjustment if any | - | - | - |
| Net Profit / (Loss) as per previous IND AS before Other Comprehensive Income | (26,90,22,535) | - | - |
| Add: Other Comprehensive Income | - | - | - |
| Other Comprehensive income / Other Equity as per previous IND AS | (26,90,22,535) | (1,53,76,475) | 25,36,46,061 |

(ii) Application of New and Revised Ind AS's

- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.
- Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The company will adopt the standard on April 1, 2018.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

33. Statement of Management

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

34. Other Notes to Accounts

These are set out in the notes to accounts for the respective Ind AS Financial Statements of the company and its Subsidiary Company.

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

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

For and on behalf of the Board Of Directors

SAJID MALIK
MANAGING DIRECTOR
DIN No.00400366

Sachin Phadke
(Proprietor)
Membership No. 117084
Date: May 30, 2018
Place: MUMBAI

SAROJA MALIK
DIRECTOR
DIN No.00400421
Date : May 30, 2018
Place: MUMBAI

GI ENGINEERING SOLUTIONS LIMITED

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

Website: www.giesl.com; E-mail: investors@giesl.com

CIN: L40109MH2006PLC163731

BALLOT FORM

(in lieu of e-voting)

Name of the Member(s) : _____

Registered Address : _____

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

Folio No. / Client ID :

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

DP ID :

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

No. of Shares held : _____

I / We exercise my/our vote in respect of Resolution(s) to be passed for the business stated in the Notice convening the Annual General Meeting of the Company to be held on September 27, 2018 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark in the appropriate box below :

| Resolution Number | Resolution | No of shares held by me | I / We assent to the Resolution FOR | I / We dissent to the Resolutions AGAINST |
|-------------------|---|-------------------------|-------------------------------------|---|
| | Ordinary business | | | |
| 1 | Adoption of Accounts, Report of the Auditors and Directors thereon; | | | |
| 2 | Appointment of a director in place of Mrs. Saroja Malik, who retires by rotation and, being eligible, offers himself for re-appointment | | | |

Signature of the member

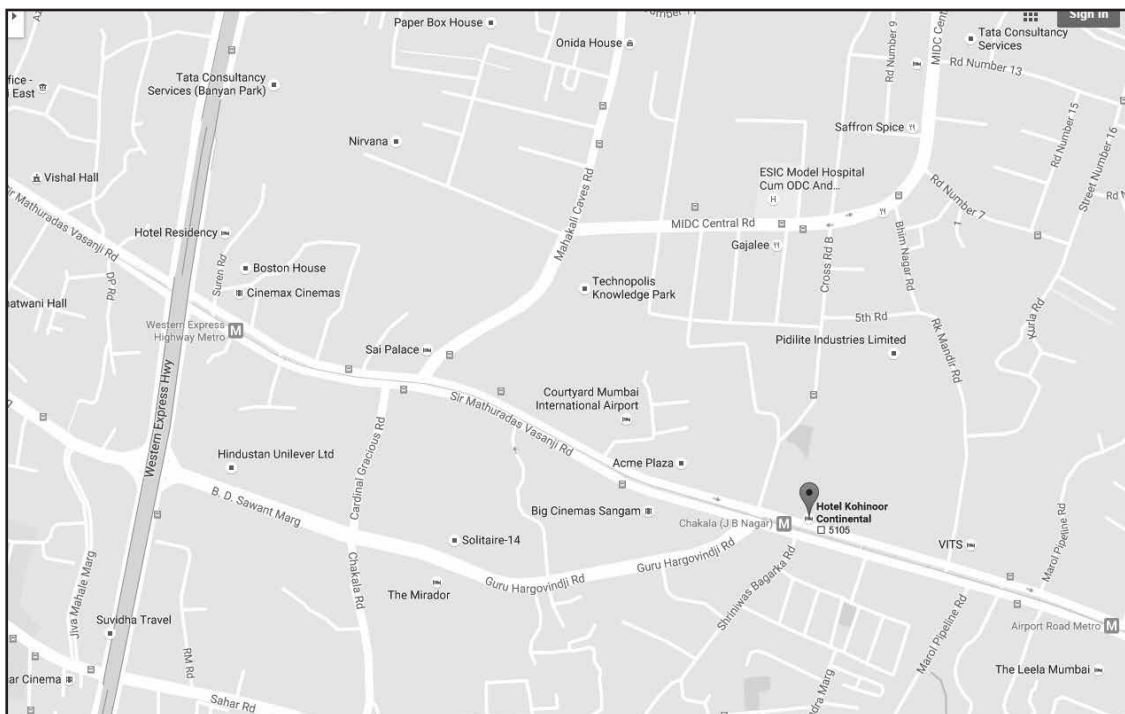
Place:

Date:

INSTRUCTIONS

1. Members may fill up the Ballot Form and send it to DSM & Associates, Company Secretaries in Practice, the Scrutinizer at G-1, Awaas Apartment, Ground Floor, Pipe Line Road, Andheri – East, Mumbai-400 093 so as to reach on or before 5.00 pm on September 26, 2018. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes, i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for E-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company. (www.giesl.com)

ROUTE MAP FOR AGM LOCATION



(Map not to scale)



GI ENGINEERING SOLUTIONS LIMITED

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

Ph: 022-44884488; Fax: 022-28290603

Website: www.giesl.com ; E-mail: investors@giesl.com

CIN: L40109MH2006PLC163731

PROXY FORM

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

Name of the Member(s) : _____

Registered Address : _____

E-mail : _____

Folio No. / Client ID :

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

DP ID :

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

Name : _____

Address : _____

E-mail : _____

Signature : _____

or failing him / her

Name : _____

Address : _____

E-mail : _____

Signature : _____

or failing him / her

Name : _____

Address : _____

E-mail : _____

Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twelfth Annual General Meeting of the Company, to be held on the the 27th day of September 2018 at 3.30 p.m. at Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400 059, and at any adjournment thereof in respect of such resolutions as are indicated below:



| Resolution No. | Resolution | Vote | | |
|-------------------|---|------|---------|---------|
| | | FOR | AGAINST | ABSTAIN |
| Ordinary business | | | | |
| 1 | Adoption of Accounts, Report of the Auditors and Directors thereon | | | |
| 2 | Appointment of a director in place of Mrs. Saroja Malik, who retires by rotation and being eligible, seeks re-appointment | | | |

Signed this _____ day of _____ 2018

Signature of the shareholder

Signature of the Proxy Holder (s)

Note:

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

Affix
Revenue
Stamp



GI ENGINEERING SOLUTIONS LIMITED

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

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Website: www.giesl.com ; E-mail: investors@giesl.com

CIN: L40109MH2006PLC163731

ATTENDANCE SLIP

(For physical holding)

| | | | | | | | | | | | | | | | |
|----------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Registered Folio No. | | | | | | | | | | | | | | | |
| No. of shares held | | | | | | | | | | | | | | | |

(For demat holding)

| | | | | | | | | | | | | | | | |
|-----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Client ID | | | | | | | | | | | | | | | |
| D.P. ID | | | | | | | | | | | | | | | |

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

I hereby record my presence at the Twelfth Annual General Meeting of the Company on the 27th day of September 2018 at 3.30 p.m. at Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400 059.

Members' / Proxy's Name in Block Letters:

Signature of Shareholder/ Proxy:

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



GI Engineering Solutions Limited

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

Telephone: 91-22-4488 4488

Fascimile: 91-22-2829 0603

Web site: www.giesl.com