



# 34वाँ वार्षिक प्रतिवेदन

31 मार्च, 2020 को समाप्त वर्ष

## 34<sup>TH</sup> ANNUAL REPORT

YEAR ENDED 31<sup>ST</sup> MARCH 2020

# 2020

दि ब्रेथवेट बर्न एण्ड  
जैसप कंस्ट्रक्शन कम्पनी लिमिटेड

(भारत सरकार का उद्यम)

THE BRAITHWAITE BURN AND  
JESSOP CONSTRUCTION  
COMPANY LIMITED

(A GOVT. OF INDIA ENTERPRISE)





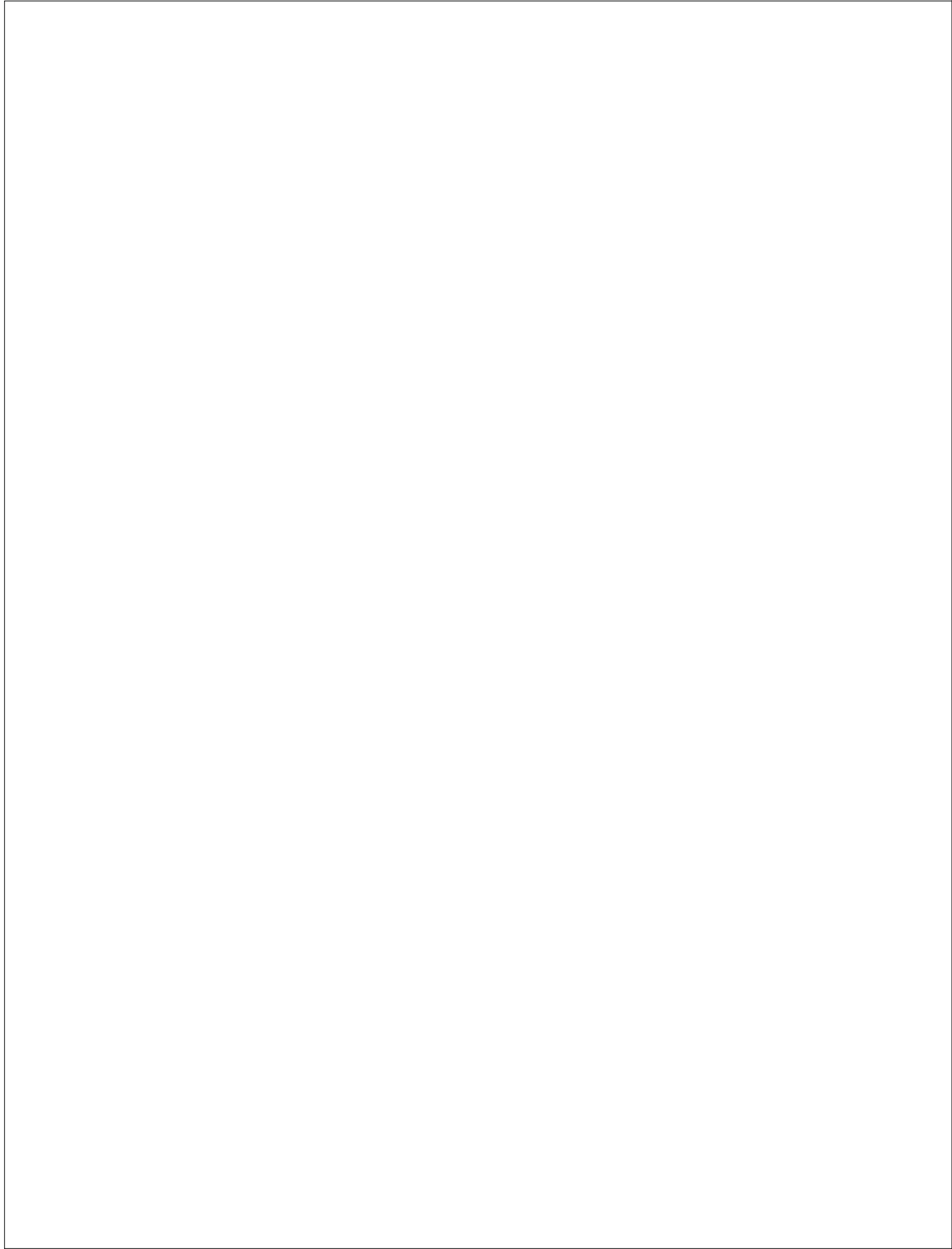
कर्नाटक में गडाग होटगी परियोजना के लिए स्टील ब्रिज का निर्माण कार्य  
Construction work of steel bridge for Gadag Hotgi Project at Karnataka



हिन्दी गृह पत्रिका : “बीबीजे दर्पण” प्रथम पुरस्कार से सम्मानित ।  
अ. एवं प्र.नि., बीबीजे पश्चिम बंगाल के माननीय राज्यपाल से **राजभाषा शील्ड** प्राप्त करते हुए परिलक्षित हैं ।  
Hindi House magazine : “BBJ Darpan” conferred with First prize.  
CMD, BBJ receiving the **Rajbhasha Shield** from Hon'ble Governor, West Bengal

# STENZON

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## LIST OF DIRECTORS IN BBJ FOR THE FINANCIAL YEAR 2019-20

NAME	PERIOD
<b>Shri Sundar Banerjee</b> Chairman & Managing Director	Full Year
<b>Shri Arnab Chatterjee</b> Director (Technical)	From 24th April 2019
<b>Shri Ritendra Kumar Mitra*</b> Director (Finance)	Full Year
<b>Shri Sunil Kumar Singh</b> Official (Govt. Nominee) Director	Full Year
<b>Smt. Bela Banerjee</b> Independent Director	Upto 2nd June 2019
<b>Shri Tapas Kumar Chatterjee</b> Independent Director	Upto 2nd June 2019

[ \*Shri Ritendra Kumar Mitra ceased to be Director (Finance) after his superannuation on 30.06.2020 & Shri Mukesh Kumar joined as Director (Finance) on 01.07.2020. ]

**Auditors** : ARSK & Associates  
Chartered Accountants

**Solicitor** : Fox & Mondal  
Kolkata  
  
Sandersons & Morgans  
Kolkata

**Bankers** : State Bank of India  
Canara Bank  
HDFC Bank  
Axis Bank  
Yes Bank

**Registered Office** : 27, R. N. Mukherjee Road,  
Kolkata - 700001

## **NOTICE TO THE SHAREHOLDERS**

### **NOTICE OF 34th ANNUAL GENERAL MEETING**

Notice is hereby given that the 34<sup>th</sup> **Annual General Meeting** of the Members of **The Braithwaite Burn and Jessop Construction Company Limited** shall be held on Saturday, October 17, 2020 at 12:00 Noon at the Registered Office of the Company at 27, R.N.Mukherjee Road, Kolkata – 700001, W. Bengal to transact the following business :-

#### **Ordinary Business :**

1. To receive, consider and adopt the Audited Financial Statements containing the Balance Sheet as at 31st March, 2020, Statements of Profit and Loss, Cash Flows and Changes in Equity including Notes etc. forming part thereof for the financial year ended 31st March, 2020 together with Report of the Board, drawn up to the date of AGM, Report of Independent Auditors & Comments of Comptroller and Auditor General of India thereon.
2. To Declare Dividend for the financial year 2019-2020.
3. To authorize the Board of Directors of the Company to fix remuneration of the Independent Auditors, to be appointed by The Comptroller and Auditor General of India for the Financial Year 2020-2021.
4. To take note of the Appointment of Directors made by Government Order.

**BY ORDER OF THE BOARD**

(Navin Kumar Mishra)

**COMPANY SECRETARY**

#### **Regd. Office :**

27, R.N.Mukherjee Road

Kolkata – 700001

Date : September 25, 2020



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**Copy to : All the Directors and Statutory Auditors**

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**NOTE :**

1. A Member entitled to attend and Vote at the Meeting is entitled to appoint a Proxy to attend and Vote instead of himself and such Proxy need not be a Member of the Company.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars' permitted holding of the Annual General Meeting ('AGM') through video conferencing (VC) or other audio visual means (OAVM) facility during the calend at year 2020, without the physical presence of the members at a common venue. Further, DPE vide O.M. F. No. 3(2)/2016-MGMT dated 24th April 2020 clarified that relaxations as notified by MCA in response to situation arising out of COVID-19 outbreak would be applicable in case of CPSEs also In compliance with the provisions of the Companies Act, 2013 (the 'Act'), MCA Circulars and DPE O.M. referred to above, the AGM of the Company is being conducted through VC/OAVM.
3. The deemed venue for thirty-fourth e-AGM shall be the Registered Office of the Company, 27, R.N.Mukherjee Road, Kolkata – 700 001.
4. In terms of power vested with the jurisdictional Registrar of Companies (RoC), Kolkata, general extension has been granted by a period of three months from the due date by which the AGM for Financial Year ended 31-03-2020 ought to have been held in accordance with Section 96(1) of the Companies Act, 2013. Thus, AGM can now be held within 3 moths after 30-09-2020, without the requirement of application for extension to hold AGM to be made to the jurisdictional RoC.

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U70100WB1986GOI041286  
 Name of the Company : THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION COMPANY LIMITED  
 Registered office : 27, R. N. Mukherjee Road, Modi Building, Kolkata, WB 700001. INDIA

Name of the Member(s) :  
 Registered address :  
 E-mail Id :  
 Folio No/ Clint Id :  
 DPID : Not Applicable

I/ We being the member of the Company holding .....shares in the above named Company, hereby appoint

1. Name: ..... Address : E-mail Id:  
 Signature: ....., or failing him
1. Name: ..... Address : E-mail Id:  
 Signature: ....., or failing him
1. Name: ..... Address : E-mail Id:  
 Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of members of the Company, to be held on Saturday 17th October, 2020 at the Registered Office of the Company at Kolkata., and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 .....  
 2 .....  
 3 .....  
 4 .....

Signed this ..... day of ..... 2020

Signature: .....(Signature of Member)

**Affix Revenue  
Stamp**

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.



## **ADDENDUM TO THE NOTICE TO THE SHAREHOLDERS DATED SEPTEMBER 25, 2020**

Further to our Notice dated September 25, 2020 for convening the **34<sup>th</sup> ANNUAL GENERAL MEETING** of the Shareholders of **The Braithwaite Burn and Jessop Construction Company Limited** to be held on Saturday, October 17, 2020 at 12:00 Hrs. at the Registered Office of the Company at 27, R N Mukherjee Road, Kolkata- 700020, W. Bengal, to transact the ordinary business, Comments of Comptroller and Auditor General (C&AG) is placed herewith. As per the Direction given by the C&AG, Independent Directors have submitted their **REVISED INDEPENDENT AUDITORS' REPORT** dated October 13, 2020 incorporating audit observations raised by C&AG during supplementary audit. This **REVISED INDEPENDENT AUDITORS' REPORT** dated October 13, 2020 superseded their earlier Audit Report dated September 09, 2020.

In view of the above, following are submitted herewith as being part of Annual Report of The Braithwaite Burn and Jessop Construction Company Limited for Financial Year 2019-20:

1. Chairman's Message to the Members for 34<sup>th</sup> AGM 2020,
2. Comments of Comptroller and Auditor General & Directors Report with Annexures, made up to the date of AGM, approved by the Board, and
3. **REVISED INDEPENDENT AUDITORS' REPORT** dated October 13, 2020, superseding their earlier Audit Report dated 9th September, 2020 and Audited Annual Accounts for the Financial Year 2019-20.

It is requested to kindly replace previous set of Annual Report for FY 2019-20 already circulated earlier with these new set of Annual Report for FY 2019-20 enclosed herewith.

**BY ORDER OF THE BOARD**

(Navin Kumar Mishra)

**COMPANY SECRETARY**

**Regd. Office :**

27, R.N.Mukherjee Road .

Kolkata – 700001

Date : October 17, 2020

**Copy To : All Directors & Statutory Auditors**

## **CHAIRMAN'S MESSAGE**

Dear Shareholders,

On behalf of the Board of Directors, I have great pleasure welcoming you all to the 34th Annual General Meeting of the Members of the Company. A copy of the Annual Report containing the Audited Financial Statements for the year ended 31st March, 2020 together with Directors' Report, Auditors' Report and Comments of Comptroller & Auditor General has already been circulated.

Before I proceed to take up the formal agenda of today's meeting; I would briefly like to share with you, the performance of your company during the financial year 2019-20. Despite the challenges, the Company was able to report total income of ₹ 11361.84 Lakh as against the ₹ 11965.55 Lakh in previous financial year whereas the net profit for the period under review was Rs. 195.92 lakh as against a net profit of Rs. 36.13 lakh during the previous financial year.

The Board of Directors have recommended dividend of @ 8.54%, approx. per equity share of the face value of ₹ 1,000 each aggregating to ₹ 1032.00 lakh and placed before the shareholders for its approval. The dividend pay-out is in accordance with the Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs), issued by the Department of Investment and Public Asset Management (DIPAM).

Despite adverse impact due to Covid-19, Infrastructure Sector will continue to offer sizeable headroom for growth from a medium to long-term perspective on account of major policy initiatives of Govt. of India. For a sustained development and future growth, Company is making level best efforts to significantly develop its business in existing areas of operation (PMC) as well as capturing sizeable business opportunities under new business vertical (EPC). New Order from RVNL through strategic Joint Venture with ITD Cementation Ltd. shall improve the bottom-line once the project picks up in FY 2020-21 onward.

The industrial relations in the company remained cordial throughout the year.

The Company is committed to adhere to the corporate governance guidelines issued by DPE, Govt. of India. Quarterly & Annual compliance report under Corporate Governance guidelines is filed with DPE within the prescribed due date, without delay. As per Grading Report of CPSEs issued by DPE, BBJ has consistently achieved 'Excellent' Grade for Corporate Governance Compliance. Detailed Report on Corporate Governance has been brought out separately in the annexure to Directors' Report of the Company for the financial year 2019-20.

I, on behalf of Board Members, would like to place on record deep appreciation for the valuable guidance and significant contributions to the Company made by Smt. Bela Banerjee and Shri Tapas Kumar Chatterjee, Independent Directors, both of whom held the position up to 02-06-2019 & Shri Ritendra Kumar Mitra, Director (Finance) who held the position up to 30-06-2020.

I take this opportunity to express my sincere thanks and gratitude to my colleagues on the Board of Directors for their valuable support and co-operation in the management of the company.

I am also thankful for the whole -hearted support received from Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Ministry of Railways and other Ministries / Departments of Govt. of India, State Governments, Kolkata Port Trust, RVNL, IRCON, Financial Institutions, Banks, Regulatory & Statutory Authorities, Comptroller & Auditor General, Auditors, Legal Advisors & Consultants, Joint Venture Partners and all the stakeholders. We look forward for their continued support in Company's future endeavours.

I, on behalf of the entire Board of Directors, sincerely thank the employees of BBJ at all levels and would like to place on record our appreciation for their hard work and dedication.

Thank you all.

**Date :** 17th October, 2020

**Place :** Kolkata

**Sundar Banerjee**

**Chairman & Managing Director**

## DIRECTORS' REPORT

To  
The Shareholders,  
The Braithwaite Burn and Jessop Construction Company Limited

Your Directors have pleasure in presenting the 34th Annual Report on the Company's Operation and Performance together with Audited Accounts for the financial year ended 31st March, 2020.

### 1 FINANCIAL HIGHLIGHTS

1.1.1 The Financial Statements of the Company are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto to the extent notified and applicable provisions under Companies Act, 2013 and applicable provisions under Companies Act, 1956. First Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' were applied during FY 2017-18. This is the third financial year of reporting under Ind AS.

1.1.2 A summary of Financial Performance of the company for the financial year 2019-2020 vis-à-vis 2018-2019 is given below:-

(₹ in Lakh)

PARTICULARS	2019-2020	2018-2019
Revenue from Operation	10640.23	10500.77
Other Income	721.61	1464.77
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	411.68	361.29
Less: Depreciation/ Amortisation/ Impairment	122.88	135.93
Profit /loss before Finance Costs, Exceptional items and Tax Expense	288.80	225.36
Less: Finance Costs	60.91	65.47
Profit /loss before Tax Expense	227.89	159.89
Less: Tax Expense (Current & Deferred)	31.96	123.75
Profit /loss for the year	195.92	36.13

1.2 Despite the constraints and challenges, your company achieved total income of ₹11361.84 Lakh as against the ₹ 11965.55 Lakh during the previous year. In the present market scenario, BBJ consciously targeted remunerative orders from Railways and other Clients, giving impetus to growth both in terms of Turnover and profitability.

1.3 Your Company's Profit Before Tax (PBT) for the period under review is ₹ 227.89 Lakh as against ₹ 159.89 Lakh in 2018-19.

- 1.4 Profit After Tax (PAT) for the FY 2019-20 is ₹ 195.92 Lakh in comparison to ₹ 36.13 Lakh Crores during FY 2018-19.
- 1.5 Despite the challenges, your company once again succeeded in its endeavor to maintained the track record of a consistent profit making and dividend paying CPSE.

## **2 CAPITAL STRUCTURE**

- 2.1 There was no change in the capital structure of the Company during FY 2019-20. The Authorized Capital as on 31st March, 2020 was ₹ 34810 lakh and paid-up share capital was ₹ 12086.05 lakh.

## **3 GENERAL RESERVES**

- 3.1 General Reserves as on 31st March, 2020 stands at ₹ 1473.65 lakh (Previous FY 2018-19 - ₹ 1623.65 lakh)

## **4 DIVIDEND**

- 4.1 In continuation with its track record of consistent Profit making and Dividend paying CPSE, the Board of Directors of your company recommend a dividend @ 8.54 %, approx. per equity share of the face value of ₹ 1,000 each, aggregating to ₹ 1032.00 lakh.
- 4.2 Dividend would become payable to the Govt. of India after its approval by the Shareholders of the Company at the ensuing Annual General Meeting which shall be held as per the requirements under Companies Act, 2013 read with the Order of Registrar of Companies West Bengal dated 08 September 2020 regarding Extension of time for holding of Annual General Meeting for the financial year ended on 31-03-2020.
- 4.3 Dividend distribution tax on the dividend, if applicable, shall be paid as per extant provisions under Income Tax Act, 1961.
- 4.4 The dividend pay-out is in accordance with the Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs), issued by the Department of Investment and Public Asset Management (DIPAM).

## **5 MANAGEMENT DISCUSSION AND ANALYSIS**

### **5.1 BRIEF PROFILE OF THE COMPANY**

- 5.1.1 Incorporated on 17th September, 1986 as a Central Public Sector Undertaking (CPSE), President of India through Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises, Government of India holds its entire 100% equity share capital. The Company is a Schedule 'C' CPSE under DHI.
- 5.1.2 The Company is engaged in the business of:
- i Engineering Procurement & Construction (EPC) business – steel bridges, and
  - ii Project Management Consultant (PMC) business – civil construction job.
- 5.1.3 Projects undertaken by the company are spread in different parts of the country.
- 5.1.4 Quality Management System of BBJ is in accordance with requirements of Quality Policy and certified under ISO 9001:2008 certification.

## 5.2 DEFINED VISION MISSION & OBJECTIVE OF BBJ :

### 5.2.1 VISION

“To innovate, design and construct Bridges and other Engineering marvels with high Engineering standard through state of art technology and cost efficient practices.

To remain profitable, productive, creative, compliant and financially sound with care and concern for all stake holders”

### 5.2.2 MISSION & OBJECTIVE

- To become a world class premier Engineering Project implementing organization.
- To construct signature Bridges and Engineering marvels with in and outside the country.
- To be innovative, entrepreneurial, constantly creating value and attaining global benchmarks.
- Committed to total customer satisfaction and continuously enhancing capabilities of the organization and employees through innovation and skill upgradation.

## 5.3 INDUSTRY STRUCTURE AND DEVELOPMENTS

### 5.3.1 ECONOMY, INDIAN INFRASTRUCTURE SECTOR & GOVERNMENT INITIATIVES

5.3.1.1 India is expected to become the third largest construction market globally by 2022. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country.

5.3.1.2 Large investments in infrastructure has provided momentum to the overall PE (Private Equity)/VC (Venture Capital) investment in India, recording an all-time high investment of US\$ 14.5 billion in 2019. All the villages in India was to be connected through a road network by 2019 under the Pradhan Mantri Gram Sadak Yojana (PMGSY). Also, to upgrade 1,25,000 kms of road length over the next five years, an estimated cost of Rs 80,250 crore (US\$ 12.03 billion) is envisaged under Pradhan Mantri Gram Sadak Yojana-III (PMGSY). Road building in India has become the second cheapest in Asia.

5.3.1.3 The infrastructure sector has become the biggest focus area for the Government of India. In Union Budget 2020-21, the Government has announced Rs 91.82 billion (US\$ 13.14 billion) for road transport and highways. For FY21, budgetary allocation to the Ministry of Development of North Eastern Region has been increased to Rs 3,049 crore (US\$ 429.25 million) from Rs 2,670 crore (US\$ 376.16 million) in FY20. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs 5,000,000 crore (US\$ 750 billion) for railways infrastructure between 2018-2030.

### 5.3.2 PROSPECTS FOR BBJ

5.3.2.1 The vision of the Govt. of India for development of Infrastructure and Railways is expected to boost up the Construction sector with excellent growth opportunity. To augment the efforts made in this line, Govt. of India, in the Union Budget of FY 2020-21, has allocated ₹ 71,216 crore to Ministry of Railways. Your Company, with its experience, expertise and talent in the niche segment of Bridge/Road Construction and Civil Construction, is well placed to leverage the opportunity. Your Company's strategy to

lead market development, build channels of the future whilst keeping the sustainable living plan at its core, will enable it to create long-term value for all the stakeholders. Your Company will continue to focus on being Purpose-led and Future fit.

5.3.2.2 Your Company is also geared up to play a significant role in the growth of its bottom line with planned increase in its production capacity aligned in line with policy measures of Govt. of India. These inter-alia includes proliferation in Road Project, Metro Rail Projects, Construction of Station Building, Track Laying and Modernization and explore business opportunities through diversification in PMC business model besides exploring more out of the ambitious plan of Railways in the coming years.

5.3.2.3 Steps taken by your Company will significantly improve your Company's performance from the conventional business trajectory to the Diversified area with promised growth rate.

5.3.2.4 With continuous emphasis on infrastructure by Govt. of India, BBJ with its ability to work in difficult areas like North East, Bihar, J & K has bright future which may lead it to the position of preferred organization for difficult and complex works.

## 5.4 STRENGTH AND WEAKNESS

### 5.4.1 Strength

- Strong brand awareness and reputation, Rich experience in executing some of the mega Bridges in India. Operates in Bridge, Roads & other Civil Construction projects.
- Recognised industry player in civil construction and infrastructure projects
- Decades of experience. Experience of working in remote & in-accessible area
- Track record of successfully completing complex projects
- Ensuring quality and timely completion of the projects without cost overruns
- Good Order book position, commensurate with its size
- Enduring relationships built on mutual trust and respect with our clients, sub-contractors, financial institutions and other stakeholders
- Talented and skilled employees with low attrition rate
- Positive net worth.
- BBJ has qualified and experienced man power capable of executing niche construction projects in difficult and remote areas.
- Managed with very small debt portion.

### 5.4.2 Weakness

- Limited diversification in other than Railway Bridge and Civil Construction area
- Will take time to consolidate in new area of business i.e. PMC in Construction
- As the company face financial constraint due to its small size, therefore, credential of major projects are not available for acquiring big works, thereby losing valuable business in Bridge, Road and Civil Constructions etc.
- Inability to enter in to BOT/BOO and other major project execution, due to financial and other limitations.



## 5.5 OPPORTUNITIES, THREATS AND CONSTRAINTS

### 5.5.1 OPPORTUNITY

- Demand for world class infrastructure in India
- 'Atma Nirbhar Bharat', "National Infrastructure Pipeline", "Make in India", "Smart Cities Mission" and various other initiative of Govt. of India related to Construction Industry would demand good infrastructure specifically railways, road and civil construction etc. thus offering substantial opportunities for construction companies
- Higher budgetary allocation for infrastructure sector
- Pro- industry policies and initiatives such as lowering of corporate tax, setting up of REITs and Infrastructure Investment Trusts would drive investment in infrastructure sector, etc
- Thrust in infrastructure work by the GOI and development work in border area and North Eastern State's development work.
- Thrust in infrastructure development for surface transport.
- Joint Ventures/Collaboration for major Indian projects.
- Avenue for diversifying in new areas (like Building Construction, Smart Meter Installations etc.)

### 5.5.2 THREAT

- Huge investment in infrastructure has attracted large number of private sector players which has intensified competition.
- profit margins may shrink due to increased competition.
- Reduction in business on nomination basis.
- Contingent liabilities on account of arbitration and court cases.

### 5.5.3 CONSTRAINTS

5.5.3.1 Although every Organization has to work within a certain legal frame work, your Corporation as a public sector Company faces certain constraints (not applicable to private sector companies) which put it at disadvantage in a competitive market. Company is working in North East and other trouble prone areas where people are reluctant to join. Though BBJ is consistent profit making and dividend paying Company but due to lack of counter Guarantee from GOI and Bank Guarantee limits from Banks, BBJ is not able to contribute its core competence in nation building in an aggressive manner on large scale.

### 5.5.4 RISKS AND CONCERNS

5.5.5 In construction industry, major concern is cost inflation, timely completion of projects and change in Govt. policies due to which there is risk of time and cost overruns which are seldom compensated by clients thereby putting your company into losses.

5.5.6 The Company's employees and projects have been exposed/are exposed to risks and threats of life, liberty and property while operating in risky geographical areas. It, however, takes pride in executing prestigious works in the national building task. The Company has taken measures to provide adequate safety.

5.5.7 Risk related details are more elaborately mentioned under Notes on Financial Statements.

## 5.6 PRESENT OPERATIONS, STATE OF AFFAIRS AND OUTLOOK FOR FUTURE

5.6.1 Now instead of awarding works on nomination basis, the Ministries/Govt. Departments have started a competitive bidding process among PSUs. BBJ, is able to secure works even under tough competition. Government of India has allocated huge funds for infrastructure in 12th Plan. A large portion of investments by Government of India is in Development of NER, Metro, Airport, Smart Cities etc.

5.6.2 Your Company is also planning to diversify in new areas like civil construction, new and renewable energy resources etc. With continuous emphasis on infrastructure by Government of India, BBJ with its ability to work in difficult areas may be considered as a preferred Organisation for niche', complex and difficult works. Competition among large number of construction companies has resultant impact on the margins of Company.

5.6.3 India is well on the path to a recovery from a trough in April, ably supported by proactive Government and Central Bank policies. However, the increase in the COVID cases and subsequent intermittent lockdowns make the recovery prospects fragile and call for constant and dynamic monitoring. This will also be positively reflected in BBJ's performance in coming days.

5.6.4 BBJ is engaged in Engineering, Procurement & Construction (EPC) jobs for Construction & Erection of Steel Bridges for the Railways; this single customer dependence has resulted in high variability in financial performance in the past.

5.6.5 A separate PMC wing is also operational which looks after the Company's venture into Construction.

5.6.6 Current business verticals of the Company are given hereunder:

PARTICULARS	PRODUCTS & SERVICES	CUSTOMERS / CLIENTS
Engineering Procurement & Construction (EPC) business – steel bridges	<b>Construction of :</b> Steel Bridges, Cable Stayed Bridge, Rehabilitation of old bridges, Manufacturing & supply of bridge girders	Indian Railways, RVNL, RITES, IRCON, Delhi/Mumbai Metro Rail Corporation. Hooghly River Bridge Commissioner.
Project Management Consultant (PMC) business – civil construction job	<b>Construction of:</b> Buildings, Residential Schools, Road	Kendriya Vidyalaya Sangathan, North Eastern Council (NEC) , West Bengal Fisheries Corporation Limited, Rajendra Agricultural University, Benfish

## 6 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### 6.1.1 ORDER BOOK POSITION

6.1.1.1 During the year 2019-2020, your Company has not secured any new Orders either from Railway or from other than Railway sector as against the target of ₹ 350 crore and ₹ 100 crore respectively fixed under MoU, by DHI for excellent rating.

6.1.1.2 The effective order book position as on 31st March, 2020 is ₹ 59897.32 Lakh from Railway Bridge Project and ₹ 1542.12 Lakh from Civil Project, aggregating to ₹ 61439.44 Lakh.

### 6.1.2 DIVERSIFICATION & FUTURE OUT LOOK

6.1.2.1 Economic activities were severely impacted due to impact of COVID -19 pandemic. Governments across the Globe had to resort to lockdown measures to contain the spread of the virus. In India too, in March 2020 complete nationwide Lockdown was clamped which continued till second fortnight of May 2020. Several restriction and intermittent state lockdown continued even after May 2020. This has severely impacted most of the Industrial activities.

With restriction are being lifted in phases, efforts are being made to bring the economic activities back on track. With all out effort, BBJ is trying to minimize the effect of disruption of activities on the bottom line of the company.

6.1.2.2 The outlook for the future is positive and Company is likely to further excel in the forthcoming year.

6.1.2.3 Steps are taken by your Company for diversification Product line under two business model viz. Project Management Consultancy (PMC) and Engineering Procurement and Contract (EPC). Civil Engineering and Construction Projects in addition to the existing product mix are all that come within the business model of your company and its pleasure sharing that Your Company, with it's limited means, already executed Orders for Construction of Road, Bridge and Civil Construction works with level of experience, expertise and efficiency required for the job.

6.1.2.4 After successful execution of Orders, your Company now expects to get more Orders of similar nature in coming days, which shall make significant improvements in Production and Profitability. Your Company is also pursuing with different Govt. Departments for getting more civil works on PMC basis.

6.1.2.5 We have pleasure informing you that your Company, in it's drive to further improve upon the Marketing scenario, has started execution of Order secured from NF Railways for Construction of two Bridges in Manipur. The work although challenging, are expected to give a new impetus to the profile of the Company.

6.1.2.6 Strategic Tie-Up with other major players in Construction Industry in the form of MoU/Consortium is already resorted to. Such endeavors are primarily intended to explore the benefits of techno economic synergy amongst companies. The process would ensure BBJ's participation in tenders where BBJ alone is not eligible.

6.1.2.7 RVNL's order of Rs.49502.50 lakh, through strategic JV with ITD Cem-BBJ Joint Venture(BBJ's share 49%) set to improve bottom line once the project picks up in 2020-21 and subsequent years.

6.1.2.8 BBJ received 3 orders for construction of School Building Campus from Kendriya Vidyalaya Sangathan (KVS) on PMC basis. Out of the above, BBJ has already completed two nos. of KVS. BBJ also received a order from North Eastern Council (NEC), on nomination, for preparation of

DPRs (06 nos) & Inception Report (1 no.) for Identified Roads in Meghalaya, Nagaland, Manipur, Arunachal Pradesh under NERSDS projects, which is also completed. After getting some jobs in identical projects, Your Company shall be eligible to participate in the bid process for high value construction projects. BBJ is also pursuing with different Govt. Depts. for getting more civil works on PMC basis.

6.1.2.9 Enhancement in Marketing efforts in PMC business:- BBJ, being a CPSE, is eligible to function as PMC for Central & State Governments/Departments. To explore this opportunity, a new PMC business vertical has been recently started its operations for bagging & executing PMC contracts. Competitors are other CPSEs.

## 6.2 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

6.2.1 The Company has adequate system of Internal Control and Internal Audit System which helps the management to review the effectiveness of financial and operating controls. It also ensures that all transaction are authorized, recorded and reported correctly.

6.2.2 The Management takes reasonable care and ensures safeguard of assets, prevention and detection of fraud and error, accuracy and completeness of accounting records and timely preparation of reliable financial information.

6.2.3 Internal Control is also being ensured through internal audit by independent firms of Chartered Accountants, who conduct periodical Internal. Significant Audit observations and corrective actions thereon are presented to the audit committee.

6.2.4 Internal Audit Reports are also being reviewed by Statutory Auditors of the company appointed by Comptroller and Auditor General of India.

6.2.5 Books of Accounts are also subject to supplementary audit by Comptroller and Auditor General of India.

## 6.3 Material developments in Human Resources, Industrial Relations front, including number of people employed :

This section has been elaborately discussed elsewhere in the Directors' Report.

## 6.4 Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation :

This section has been elaborately discussed elsewhere in the Directors' Report.

## 6.5 CORPORATE SOCIAL RESPONSIBILITY :

This section has been elaborately discussed elsewhere in the Directors' Report.

## 6.6 CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in economic environment in India and abroad, exchange rate fluctuations, tax laws, litigations and labour relations. Source for Information under this section has been as follows :

- Minutes of the Monetary Policy Committee Meeting May 20 to 22, 2020
- Provisional Estimates of Annual National Income, 2019-20, Ministry Of Statistics And Programme Implementation

- Monthly Economic Report, Department of Economic Affairs
- India Brand Equity Foundation (IBEF) - a Trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India.)

## 7 MEMORANDUM OF UNDERSTANDING (MOU)

- 7.1 The MoU sets forth various targets and performance under Financial and Non-Financials parameters, which are assessed against actual achievements after close of financial year.
- 7.2 MOU FOR 2019-20 : Your Company has signed Memorandum of Understanding (MoU) with the Ministry of Heavy Industries and Public Enterprises for the year 2019-20. MoU criteria are deliberated and discussed in details by the Board, with ways and means to improve upon the performance with the aim to achieve higher & improved ranking.

## 8 BOARD, COMMITTEES AND RELATED INFORMATION/DISCLOSURES

### 8.1.1 BOARD OF DIRECTORS

8.1.1.1 In terms of Govt. Order by DHI, Smt. Bela Banerjee Former Member(Tech.) Railway Claims Tribunal and Shri Tapas Kumar Chatterjee Advocate , Hon'ble High Court at Calcutta were appointed as the Independent Directors of the Company for the period of 3 years from the date of Govt. Order i.e. from 03.06.2017 upto 02-06-2019. After expiry of 3 years' term, Smt. Bela Banerjee and Shri Tapas Kumar Chatterjee ceased to be the Independent Directors of the Company. At present the position of Independent Directors are vacant since 03-06-2019. Order from DHI for appointment of new IDs are awaited.

8.1.2 During the FY 2019-20, there were 4 Meetings of the Board of Directors.

8.1.3 Details of composition of the Board and other Committee Meetings, date of Meetings including presence of Directors/Members in the said Meetings and other required details, are covered separately under Corporate Governance Report, annexed to and forming part of this Report.

### 8.1.4 KEY MANAGERIAL PERSONNEL

8.1.5 In terms of the Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Gora Chand Jash – GM (Finance) who was also nominated as the Chief Financial Officer (CFO ) superannuated on 31-01-2020.

8.1.6 Following were the Whole-time Directors and Key Managerial Personnel as on 31-03-2020: -

- i Shri Sundar Banerjee – Chairman & Managing Director
- ii Shri Ritendra Kumar Mitra – Director (Finance)
- iii Shri Arnab Chatterjee – Director (Technical), and
- iv Shri Navin Kumar Mishra – Company Secretary (CS).

8.1.7 By Govt. Order, Shri Arnab Chatterjee was appointed as Whole-time Director (Technical) with effect from 24-04-2019.

8.1.8 Shri Ritendra Kumar Mitra superannuated on 30-06-2020 as Whole-time Director (Finance).

8.1.9 By Govt. Order, Shri Mukesh Kumar was appointed as Whole-time Director (Finance) with effect from 01-07-2020.

## 8.2 BOARD EVALUATION & TRAINING OF BOARD MEMBERS

- 8.2.1 Ministry of Corporate Affairs vide notification bearing no. G.S.R. 463(E) exempted Government Companies from annual evaluation of its Directors.
- 8.2.2 The non-executive Board members are appointed by Govt. Order and are eminent personalities having wide experience in the field of industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Directors are given presentation on the overview of the company with the object to familiarize them with the Company's business and other activities. Further, Directors are kept apprised of latest developments w.r.t. the Companies Act, 2013 and other corporate laws. The Board is kept up-to-date through Agenda papers and briefings by senior officials with respect to the Financial Performance, status of ongoing Projects and other important business operation related matters.

## 8.3 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors certify that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) Appropriate accounting policies have been selected and applied consistently and have 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 as at March 31, 2020 and of the profit and loss of the Company for the year ended March 31, 2020;
- (c) Proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis;
- (e) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 8.4 DECLARATION BY INDEPENDENT DIRECTORS

- 8.4.1 In compliance with Section 149(7) of the Companies Act, 2013 declaration(s) have been received from the Independent Directors of the Company that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 for the period during which they were in the Board of Directors of the Company i.e. up to 02-06-2019.

## 8.5 AUDIT COMMITTEE, REMUNERATION COMMITTEE AND CSR COMMITTEE:

- 8.5.1 Audit Committee of the Board has been constituted as required under the Corporate Governance Guidelines-2010 by Department of Public Enterprise, Ministry of Heavy Industries and Public Enterprises, Government of India, besides the terms of reference, the Audit Committee consists of non-executive directors including Independent Directors having expertise in financial and accounting areas. Details regarding Audit Committee and other Committees of the Board are also stated in the Corporate Governance Report.
- 8.5.2 Your Company continues to hold Meeting of Audit and other Board level Committee regularly to ensure transparency, accountability, integrity and ensure compliance of various laws. Audit Committee met 3 times during FY 2019-20.



- 8.5.3 Details of Constitution, Meetings, Attendance and other details relating to various Committees constituted by the Board are covered under Corporate Governance Report, annexed to and forming part of this Report.
- 8.5.4 Consequent upon cessation of Independent Directors and the position being vacant after 02-06-2019, all the aforesaid Committees are reconstituted with Government Nominee Director and Functional Directors. Part time Government Nominee Director is the Chairperson of above said Committees. The other two Members are Director (Finance) and Director (Technical).

## **8.6 RELATED PARTY TRANSACTIONS**

- 8.6.1 During the year under review, the company had not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with provisions of related party transaction referred to in section 188(1) of the Companies Act, 2013.
- 8.6.2 Routine transactions covered under Related Party, if any, are disclosed & explained in the Financial Statement Section of this Report.

## **8.7 DISCLOSURES AS PER COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- 8.7.1 The Company, being a Government of India Enterprise, is exempt from disclosure requirements pertaining to remuneration and other details as prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 8.7.2 Further, Your Company has not paid any remuneration attracting the provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **9 INFORMATION & VIGILANCE FRAMEWORK, POLICIES, PROCEDURES :**

### **9.1 VIGIL MECHANISM / WHISTLE BLOWER POLICY**

- 9.1.1 The Company has well placed vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation to the Company's Code of conduct which includes the duly adopted Whistle Blower Policy to conduct of the affairs in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.
- 9.1.2 Focus of the policy is to create a fearless environment . Details regarding Whistle Blower Policy is also stated in the Corporate Governance Report. The Whistle Blower Policy is posted on the website of the Company and available at [www.bbjconst.com](http://www.bbjconst.com) .

### **9.2 RIGHT TO INFORMATION**

- 9.2.1 Company has appropriate mechanism to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005.
- 9.2.2 Total 28 applications under RTI Act were received during the FY 2019-20 out of which 25 applications were replied during the period. As on 31-03-2020, there were 3 applications pending for reply. Applications were replied within the prescribed time limit under the said Act.

### 9.3 VIGILANCE

- 9.3.1 During the year under review, vigilance activities were managed effectively and no vigilance case is pending or contemplated.

### 9.4 ADHERENCE TO THE ACCOUNTING POLICY /STANDARD

- 9.4.1 For the financial year 2017-18, the financial statements of the Company was drawn under Ind AS 101, being First Time Adoption of Indian Accounting Standards in compliance with Companies (Accounting Standards) Rules, 2015. This is the 3rd reporting period of financial statements drawn under Ind AS.
- 9.4.2 Details of significant accounting policies are adequately explained under Notes forming part of the Financial Statements.
- 9.4.3 Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

### 9.5 INTERNAL AUDIT AND INTERNAL CONTROLS

- 9.5.1 The Company has adequate internal financial controls system for ensuring orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets and prevention of frauds, accurate and prompt financial reporting, for compliances and improve the effectiveness of risk management towards good corporate governance.
- 9.5.2 Company ensures that business is conducted in accordance with the legal, statutory and regulatory compliance requirements.
- 9.5.3 Firm of Chartered Accountants are appointed by the Board of Directors of the company to carry out Internal Audit Function in the Company and Reporting thereon. The Reports of Internal Audit findings are periodically submitted to management and Audit Committee of the company. Based on Report of Internal Auditor, corrective action in respective areas are undertaken and thereby strengthen the overall control system.
- 9.5.4 The company has adequate internal control measures in the form of various codes, manuals and procedures issued by the management covering all important activities i.e. Marketing Manual, Purchase and Works manual, Material, Stores, Accounts and Personal Manual etc.
- 9.5.5 The Internal Audit Plan, Internal control mechanism and issues of financial and operational system are made more structured to take on all kinds of future challenges.

### 9.6 CORPORATE GOVERNANCE:-

- 9.6.1 Your Company constantly endeavors to adopt best practices of Corporate Governance to ensure transparency, integrity and accountability in it's overall functioning. The Corporate Governance Report highlighting these endeavors is submitted along with Certificate on Compliance of conditions of Corporate Governance, duly certified by the Statutory Auditors in terms of the DPE Corporate Governance Guidelines.
- 9.6.2 Being an integral part , policy initiatives were taken to secure Risk Management wherever required and necessitated in the process of functioning . Your company has adequate Internal Financial Control in place and such controls are tested from time to time through the process of Audit Committee constituted by Members nominated by the Board.

**9.7 STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY:-**

9.7.1 The risk management system is an integrated and aligned system with the corporate and operational objectives. Risk management is undertaken as part of normal business practice and not as a separate task at set time.

**9.8 QUALITY ASSURANCE/QUALITY CONTROL & SAFETY**

9.8.1 Your Company is committed to follow the quality norms and standardized specific process as specified in the contract to maintain the desired quality. As part of the continuous appraising and to facilitate the functional requirements, a Quality Assurance/Quality Control process is followed as practice. Safety in construction is not a matter to be taken lightly. In fact, safety needs to be the top most priority in every aspect of construction at all times. The Quality Management System of the Company is Certified under ISO 9001:2015, being in accordance with the requirements of Quality Policy.

9.8.2 National Safety week is celebrated on annual basis, at Head Office, organized by Quality Cell & General Guidelines for Safety is read out for awareness on this occasion to facilitate the requirements of Safety at project sites.

**10 AUDITORS**

**10.1 REPORT OF THE STATUTORY AUDITORS ON THE ACCOUNTS OF 2019-20**

10.1.1 M/s. ARSK & Co., Chartered Accountants, Kolkata were appointed by the Comptroller and Auditor General of India as Statutory Auditors of the Company for the FY 2019-20.

10.1.2 The Report of the Statutory Auditors on the Accounts for the year 2019-20 have been adequately explained in the notes on accounts. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

10.1.3 As required under Section 134 (3) (ca) of the Companies Act, 2013, there is no adverse reporting by the auditors under sub-section (12) of section 143 in respect of frauds.

**10.2 COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

10.2.1 The comments of Comptroller & Auditor General of India on the Financial Statement of the Company for the year ended March 31, 2020 upon or supplement to Statutory Auditors Report under the Companies Act 2013 are placed before the Shareholders as part of Annual Report for the period under review.

**10.3 SECRETARIAL AUDITOR AND AUDIT REPORT**

10.3.1 Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

10.3.2 The Company has secured compliance of applicable / mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## **11 HUMAN RESOURCES, WOMEN EMPOWERMENT & WELFARE ACTIVITIES**

### **11.1 HUMAN RESOURCES**

- 11.1.1 With a view to attain the operational excellence, rigorous and constant efforts are being carried out to meet the organization expectations as well as keeping pace with the changing industrial scenario.
- 11.1.2 Any grievances related the employee are to be taken up by Grievance Committee for resolving in time. In keeping with the functional and behavioral skills of the employees, training under different modules were arranged at various levels to enhance proficiency and to encourage the self learning among employees.
- 11.1.3 Furthermore, in view of the present innovative & challenging market, your Company arranged need based In-House Training Programs / Technical Workshops to make officials / employees to make them aware of latest trends / techniques & changes that are taking place in their respective functional areas and to enhance their knowledge base so that they work with improved potential & zeal to achieve the overall organizational Goal as a team. Industrial Relation remained cordial through out the year under review

### **11.2 CORPORATE SOCIAL RESPONSIBILITIES; DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR**

- 11.2.1 The amount earmarked for CSR for the next year would be spent as per requirements of the Companies Act 2013.
- 11.2.2 Annual Report on CSR as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed as Annexure to this Report.
- 11.2.3 CSR Policy of the Company is available at the Web-site of the Company at <https://www.bbjconst.com/rti.html>

### **11.3 EMPOWERMENT OF WOMEN**

- 11.3.1 The Company continues to accord due importance to gender equality. All necessary measures/statutory provisions for safeguarding the interests of women employees in issues like payment of wages, hours of work, health, safety, welfare aspects and maternity benefits etc. are being followed by the Company in its letter and spirit.

### **11.4 WELFARE OF WEAKER SECTIONS OF THE SOCIETY**

- 11.4.1 Statutory welfare facilities as incorporated in The Factories Act, 1948 and Rules made thereunder are administered by the company for welfare of the employees apart from the provisions of welfare and social justice towards reservation policy for SC, ST, OBC, EWS and Differently Abled respectively in line with the Govt. Policies and Guidelines.

### **11.5 ENCOURAGEMENT / ASSISTANCE TO MSME:**

- 11.5.1 Out of total purchase of stationery including printing, toner etc. for the period under review, required procurements were made through MSMEs. Nothing remains unpaid to the supplier at the end of the financial year 2019-20 for a period of over 45 days.

11.5.2 Aids and Supports were extended to the Social Welfare Organizations through selective sourcing / procurement of materials and services from them in need in phased manner.

## **11.6 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013**

11.6.1 (a) The company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines.

(b) the details of cases as required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given hereunder :

- |                                                                          |     |
|--------------------------------------------------------------------------|-----|
| (i) number of complaints filed during the financial year :               | Nil |
| (ii) number of complaints disposed of during the financial year :        | Nil |
| (iii) number of complaints pending as at the end of the financial year : | Nil |

## **12 OTHER DISCLOSURES**

### **12.1 LEGAL COMPLIANCES**

12.1.1 Board is apprised of the statutory and other mandatory legal compliances on regular basis through Agenda Notes. Board is also apprised of the notices, if any, received from statutory authorities and the remedial action taken by the Company to meet those requirements.

### **12.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

12.2.1 For the period under review, no Loans, Guarantees and Investments was made by the Company which requires approval under Section 186 of the Companies Act, 2013. Details of Loans, Guarantees and Investments are covered under financial statements and Notes forming part thereof.

### **12.3 CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL:**

12.3.1 Your Company has well defined policy framework which lays down procedures to be adhered to by all Board Members and Senior Management for ethical professional conduct with the objective to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code is available on the Company's website [www.bbjconst.com](http://www.bbjconst.com). All Directors and senior management personnel have complied with the Code of Conduct for the period under review.

12.3.2 Declaration by Chairman & Managing Director on compliance with the Code of Conduct in line with Guidelines on Corporate Governance for CPSEs by DPE

**DECLARATION ON CODE OF CONDUCT**

In terms of Clause 3.4.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 dated 14th May, 2010 issued by the DPE, I hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct as prescribed under said Guidelines on an annual basis for the FY 2019-20.

**Signature :**

**(Sundar Banerjee)**

**Chairman & Managing Director**

**DIN: 06862063**

**Date : 17th October, 2020**

**12.4 PROGRESSIVE USE OF HINDI****12.4.1 Measures taken for effective implementation of Hindi in the Company**

12.4.1.1 With a view to promote the Official Language-Hindi in the Company various steps have been taken for proper compliance of Official Language Policy of Govt. of India. Emphasis to increase the original noting/drafting in Hindi and official correspondence in Hindi/bilingual form have also been given. The Company's 80% employees have acquired working knowledge of Hindi as notified under Rule 8(4) of the O.L. Rules, moreover the remaining employees are being nominated for Praveen/Pragya Course of Hindi Classes in a phased manner. To review the progressive use of Hindi the Quarterly meetings of the "BBJ – Official Language Implementation Committee" were held regularly. "Hindi Workshop" for the employees are being organized in the Company. Rajbhasha Hindi House Magazine – "BBJ Darpan" is published on regular intervals. "Hindi Pakhwada" programme from 02 to 16.9.2019 was organized in the Company. For the publicity of Hindi and to make the use of Hindi more popular, various in-house Hindi competitions were organized amongst the employees during fortnight and the winners were given prizes and certificates by the C&MD at the valedictory function. Company's bilingual websites is also updated periodically.

**12.4.2 During the year under review the Company has conferred with following Rajbhasha Award:**

12.4.2.1 The BBJ Company has received First Prize in the month of January, 2020, under "Grih Patrika Puraskar Yojna" for publication of its Hindi House Magazine : "BBJ Darpan" during the year 2018-19 from the Town Official Language Implementation Committee (PSUs), Kolkata, Ministry Home Affairs, Department of Official Language, Govt. of India.

12.4.2.2 Shri Sundar Banerjee, Chairman & Managing Director has received the Rajbhasha Shield from the Honourable Governor of West Bengal, Shri Jagdeep Dhankhar in a "Rajbhasha Programme" organized by the TOLIC (PSUs), Kolkata on 29th January, 2020 at the "Meghnad Saha Auditorium" of CGCRI, Jadavpur, Kolkata. Shri Prabhu Dayal, Incharge-Official Language and Editor, BBJ Darpan was also given a letter of



appreciation for his remarkable contribution towards the Hindi house magazine during the year 2018-19. On this occasion Shri Abhishek Bhattacharjee, Manager (HRM) was given consolation prize for his performance in Hindi Essay Writing Competition, which was held under the auspices of TOLIC (PSUs), Kolkata.

- 12.4.2.3 The Braithwaite Burn and Jessop Construction Company Limited (BBJ), Kolkata has been awarded with "Sarvotkrishta Rajbhasha Samman Shield" in the Rajbhasha Sammelan 2019 organised at auditorium of Bharatiya Bhasha Parishad, Kolkata, jointly by Kendriya Sachvalaya Hindi Parishad and Rastriya Sahitya Academy, Kolkata in February, 2020. Shri Arnab Chatterjee, Director (Tech.), BBJ received the "Sarvotkrishta Rajbhasha Shree Shield" from Shri Jadgeep Dhankhar, Hon'ble Governor of West Bengal for excellent performance in the field of official language implementation in the company during 2018-19. Prabhu Dayal, In-charge, Official Language was also awarded with "Rajbhasha Gaurav Samman" for his dedication towards official language implementation in the Company.

## 12.5 EXTRACT OF ANNUAL RETURN

- 12.5.1.1 Rule 12, sub-rule (1) of the Companies (Management and Administration) Rules, 2014 provides that a company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013. This provision has been notified on 28th August, 2020 through Companies (Management and Administration) Amendment Rules, 2020.
- 12.5.1.2 Accordingly, it is hereby informed that the web link of annual return filed with the Ministry of Corporate Affairs shall be available on following web-link - <https://www.bbjconst.com/financials.html>. In view of the provisions stated in above first para, 'Extract of the annual return' in Form No. MGT.9 does not form part of Board Report for the period under review.

## 12.6 REPORT ON THE HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT

Bhagirathi Bridge Construction Company Private Limited (BBCCPL) is the Joint Venture Company, jointly promoted by BBJ and Gammon India Limited (GIL). After status of nominee Director as 'Inactive', request was made by BBJ for either rectifying the defect for its Director or make fresh nomination of Directors in terms of Articles of Association and the Joint Venture Agreement for formation of BBCCPL. Despite several reminders, no rectification or fresh nomination of Directors are made by GIL. Due to this reason, there is deadlock in holding Meetings of Directors or Shareholders since there is no quorum for holding the said Meetings of Board or Shareholders

Form No. 22A, Active could not be filed due to said deadlock and therefore, the present status of the Company is inactive, non-compliant.

BBCCPL is virtually defunct Joint Venture Company, with its substratum lost after completion of the purpose of Construction of Second Hooghly Bridge, for which it was incorporated. There are no employee. Routine filing and Audit/Statutory expenses were incurred by BBJ on behalf of BBCCPL.

## 12.7 ENVIRONMENT AND POLLUTION CONTROL, CONSERVATION OF ENERGY AND TECHNOLOGY & FOREIGN EXCHANGE EARNINGS AND OUTGO

### 12.7.1 Conservation of Energy, Environment And Pollution Control :

- 12.7.1.1 Environment and Pollution Control continued to receive specific attention during the year under review. Through internal mechanism, steps are being taken for conservation of energy through periodical checking of system & its policy to monitor the level of emission of Carbon and other gases from the Plants in use at it Project sites at various locations.
- 12.7.1.2 With limited deployment of its resources, nature of contracts & short duration of its Projects going on at various sites, use of alternate source through capital investment in energy conservation equipment at said sites and is not feasible for the time being. However, avenues are explored for utilizing alternate sources of energy in feasible manner in future.
- 12.7.1.3 The stress is given to minimize the energy consumption in all new construction projects by adopting to the best available power saving technologies switching over from LCDs to LED lightings has already been accomplished. Besides most of the projects executed are in line with the Energy norms, the equipment used are all energy efficient.
- 12.7.1.4 Your Company remained eco-friendly to the Community and it's people at large. No Notice or Show Cause was ever received from the Authorities or Regulators for any non compliance of relevant Laws.

### 12.7.2 Technology Absorption:

- 12.7.2.1 During the last three years reckoned from the beginning of the financial year 2019-20 there were no imported technology imported by the Company.
- 12.7.2.2 Awareness about the new technologies and products is being imparted to the senior management for utilizing the same. Presentations on the new and innovative technologies are being organized. Due to various factors viz. conventional nature of job, cost and size constraints etc., Research & Development activities are not presently taken up by the Company.

### 12.7.3 FOREIGN EXCHANGE EARNINGS AND OUTGO

- 12.7.3.1 During the period under review there was no foreign exchange earning or outgo.

## 13 DISCLOSURES AS PRESCRIBED UNDER COMPANIES ACT 2013, NOT APPLICABLE FOR THE PERIOD UNDER REVIEW:

Sl. No.	PARTICULARS	COMMENTS
1)	Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report	Nil

Sl. No.	PARTICULARS	COMMENTS
2)	A statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.	<b>Not Applicable.</b> BBJ is a Private Limited Company, with 100% Government shareholding. Moreover, on account of exemption given to specified Government Companies, these provision are not applicable to BBJ.
3)	Company's Policy on Directors' appointment and remuneration	<b>Not Applicable.</b> BBJ is a Private Limited Company, with 100% Government shareholding. Moreover, on account of exemption given to specified Government Companies, these provision are not applicable to BBJ.
4)	Any changes in the capital structure of the company during the year	Nil
5)	Issue of shares or other convertible securities	Nil
6)	Issue of Employee Stock Options or Sweat Equity Shares	Nil
7)	Issue of debentures, bonds or any non-convertible securities	Nil
8)	Issue of warrants	Nil
9)	Details of Deposits	Nil
10)	Investor Education And Protection Fund (IEPF)	There is no unpaid Dividend in respect of the last seven years.
11)	the change in the nature of business, if any;	Nil
12)	the names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;	Nil
13)	the details relating to deposits, covered under Chapter V of the Act	Nil
14)	the details of deposits which are not in compliance with the requirements of Chapter V of the Act;	Nil
15)	the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future	Nil

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude and sincere thanks to the various Ministries of the Govt. of India, particularly, the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Indian Railways, Kolkata Port Trust , RVNL, IRCON and Govt. of West Bengal, Canara Bank, State Bank of India and HDFC Bank and other Banks for their continued support, co-operation and valuable assistance.

Your Directors acknowledge the co-operation and commitments of all employees and their contribution in improving the performance of your company. Their unstinted support has been and continues to be integral to your Company's ongoing success and holding its premier position in the Bridge Construction Industry at the national level.

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

**(Sundar Banerjee)**

**Chairman & Managing Director**

**DIN: 06862063**

Dated: 17th October, 2020

Kolkata

## **ANNEXURE TO DIRECTORS' REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

This Report is in accordance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Govt. of India.

<b>Company’s Philosophy on Guidelines on Corporate Governance</b>	<p>The Company’s Philosophy on Corporate Governance is aimed at enhancing long term Shareholders value and capacity of the Company to generate wealth through :</p> <ul style="list-style-type: none"><li>● Assisting top Management in taking sound business decisions and prudent Financial Management</li><li>● Achieving transparency and professionalism in all decisions and activities of the Company</li><li>● Adhering to Compliances of disclosure requirement</li><li>● Achieving excellence in Corporate Governance by :<ol style="list-style-type: none"><li>1. Conforming to the prevalent guidelines on Corporate Governance and excelling in wherever possible</li><li>2. Setting high ethical standards in conduct of business complying with laws and regulations</li><li>3. Reviewing periodically the existing system and controls for further improvements</li></ol></li></ul>		
<b>Board of Directors</b>	<p>All Directors of the Board of the Company are appointed on behalf of the President of India by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Govt. of India.</p> <p>The details of Directors on the Board of the Company during the Financial Year ended 31st March, 2020 are given hereunder :</p>		
<b>Board Composition</b>	<b>DIN of Directors</b>	<b>Name</b>	<b>Category</b>
	6862063	Shri Sundar Banerjee	Chairman & Managing Director -Functional Director
	02616837	Shri Ritendra Kumar Mitra	Director (Finance) - Functional Director
	8043768	Shri Sunil Kumar Singh, IRSS	Director – DHI (Govt. Nominee Director)

Board Composition	08432581	Shri Arnab Chatterjee (In terms of Govt. Order by DHI , appointment of Shri Arab Chatterjee was made with effect from 24-04-2019)	Director (Technical) - Functional Director
	07047271	Smt. Bela Banerjee , IRAS (Retd.) (In terms of Govt. Order by D H I , position of Independent Director in the Company was held by her up to 02-06-2019)	Part Time Non Official Director (Independent Director)
	07578870	Shri Tapas Kumar Chatterjee (In terms of Govt. Order by D H I , position of Independent Director in the Company was held by him up to 02-06-2019)	Part Time Non Official Director (Independent Director)
	Following changes occurred in the Board of Directors after 31st March, 2020:		
	1	In terms of Department of Heavy Industries (DHI) Order Ref. No. 12(08)/2016.PE-III dated 29.09.2017, tenure of Shri Ritendra Kumar Mitra (DIN – 02616837) as Director (Finance), The Braithwaite Burn and Jessop Construction Co. Ltd. ended after his superannuation on 30-06-2020.	
	2	In terms of Department of Heavy Industries (DHI) Order Ref. No. 12(05)/2018.PE-III dated 26.05.2020 Shri Mukesh Kumar (DIN – 08778135) joined as Director (Finance) of The Braithwaite Burn and Jessop Construction Co. Ltd. w.e.f. 01-07-2020.	
	Govt. Order from Department of Heavy Industry is awaited for filling the vacant position of two Independent Directors in the Board of Directors of the Company caused after cessation of Smt. Bela Banerjee and Shri Tapas Kumar Chatterjee as Independent Directors in the Company, as stated above,.		
Meetings Held (Board & Audit Committee)	Board Meeting Held during the Financial Year 2019-20	Meeting No. & Date of Meeting	Directors'/Members Attendance
		144th Board Meeting on 28-06-2019	Attended by all
		145th Board Meeting on 30-08- 2019	Attended by all
		146th Board Meeting on 30-09- 2019	Attended by all
		147th Board Meeting on 30-12- 2019	Attended by all



		<p>The 148th Board Meeting was required to be held within March,2020. However, in terms of exemption vide OM No. F. No. 3(2)/2016-MGMT dated 24th April, 2020 issued by DPE, the gap between two consecutive meetings of the Board was extended to 180 days instead of present 120 days till the next two quarters i.e. 30th September, 2020. Accordingly the 148th Board Meeting was held on 20-06-2020, i.e. within the extended period of 180 days from last Board Meeting i.e. 147th Board Meeting which was held on 30-12-2019.</p>	
	Audit Committee Meeting Held During financial year 2019-20	52nd Meeting on 30-08-2019	Attended by all
		53rd Meeting on 30-09- 2019	Attended by all
		54h Meeting on 30-12- 2019	Attended by all
		<p>In terms of Govt. Order by DHI , position of Independent Director in the Company was held by Smt. Bela Banerjee and Shri Tapas Kumar Chatterjee up to 02-06-2019. After expiry of the tenure of Independent Directors, Three Committees viz. Audit Committee, CSR Committee and Remuneration Committee are re-constituted with effect from 9th August, 2019 on ad-hoc basis till Independent Directors are appointed by DHI, with the objective to take urgent / important decisions as may be required during the intervening period for recommending to the Board for approval. Govt. Nominee Director is Chairperson in all these Committees and other two Members are Director (Finance) and Director (Technical) of BBJ.</p> <p>During the period from 1st April, 2019 up to 9th August, 2019 there was no Committee Meetings held due to the reason stated above.</p> <p>In terms of exemption vide OM No. F. No. 3(2)/2016-MGMT dated 24th April, 2020 issued by DPE, the gap between two consecutive meetings of the Board was extended to 180 days instead of present 120 days till the next two quarters i.e. 30th September, 2020. Accordingly the 148th Board Meeting was held on 20-06-2020, i.e. within the extended period of 180 days from last Board Meeting, being 147th Board Meeting which was held on 30-12-2019. Accordingly, 55th Audit Committee Meeting was also held on 20-06-2020, i.e. within the extended period of 180 days.</p>	

<b>Audit Committee</b>	<b>Role and the Terms of Reference:</b> <ul style="list-style-type: none"><li>● To attend to the Matters specified under para 4.2 of the Guideline on Corporate Governance for Public Enterprises and Section 177 of the Companies Act, 2013.</li><li>● To act as link between the Management ,the Statutory and Internal Auditors and the Board of Directors</li><li>● To assesses financial reporting system and Risk related matters</li></ul>		
<b>Composition , Board Meetings &amp; Attendance</b>	<b>Name of Directors</b>	<b>Board Meetings attendance during FY 2019-20</b>	
	Shri Sundar Banerjee	Meeting held -04	Attended - 04
	Shri Ritendra Kumar Mitra	Meeting held -04	Attended – 04
	Shri Sunil Kumar Singh	Meeting held -04	Attended – 04
	Shri Arnab Chatterjee	Meeting held -04	Attended – 04
	Smt. Bela Banerjee IRAS	Meeting held -0	Attended – 0
	Sri Tapas Kr. Chatterjee	Meeting held -0	Attended – 0
<b>Composition , Audit Committee Meetings &amp; Attendance</b>	<b>Name of Directors</b>	<b>Audit Committee Meetings attendance during FY 2019-20</b>	
	Shri Sundar Banerjee	Not a Member	Not Applicable
	Shri Sunil Kumar Singh	Meeting held -03	Attended – 03
	Shri Ritendra Kumar Mitra	Meeting held -03	Attended – 03
	Shri Arnab Chatterjee	Meeting held -03	Attended – 03
	Smt. Bela Banerjee IRAS	Meeting held -0	Attended – 0
	Sri Tapas Kr. Chatterjee	Meeting held -0	Attended – 0
	All the recommendations in the financial year 2019-20, made by Audit Committee of the Board, which were mandatorily required, were accepted by the Board of Directors.		
	After cessation of Independent Directors on completion of their terms of office, new nomination of Independent Directors has not been received from DHI. Therefore, in the absence of Independent Directors, Meetings of Audit Committee held during FY 2019-20 were Chaired by Government Nominee Director.		
<b>Independent Directors</b>	Independent Directors are appointed by the Govt. Orders, having expertise/experience in their respective field/profession. The Independent Directors are neither connected nor related to the Promoters and do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.  A declaration from the Independent Directors that he/she meets the criteria of independence as per the requirement under Section 149 of the		

<b>Independent Directors</b>	<p>Companies Act, 2013 has since been obtained for the relevant period i.e. 02-06-2019, being period up to which they held the position as Independent Director in the Company.</p> <p>The sitting Fees of Independent Directors are fixed by the Board and the same is within the limits prescribed under the Companies Act, 2013.</p>			
<b>Code of Conduct</b>	<p>The Draft Code of Conduct for Members of the Board and Senior Management as laid down has been Implemented.</p> <p>In terms of Clause 3.4.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 issued by the DPE, the declaration by C&amp;MD that all Board members and senior management personnel have affirmed compliance with the code on an annual basis for the FY 2019-20 is given under the Directors' Report.</p>			
<b>General Body Meetings</b>	<b>Fin. Year</b>	<b>Meeting No. and Date</b>	<b>Time &amp; Venue</b>	<b>Special Resolution</b>
<b>Particulars of last three Annual General Meetings (AGM)</b>	2016-2017	31st AGM, December 15, 2017	12:30 Hours at HHI, 234/1, AJC Bose Road, Kolkata-700 020	Nil
	2017-2018	32nd AGM, September 25, 2018	15:00 Hours at HHI, 234/1, AJC Bose Road, Kolkata-700 020	Nil
	2018-2019	33rd AGM, September 30, 2019	15:00 Hours at HHI, 234/1, AJC Bose Road, Kolkata-700 020	Nil
	<p>Required approvals under Companies Act, 2013 from Registrar of Companies for extension was duly obtained for holding 31st AGM beyond September 30, 2017 of the year.</p> <p>32nd and 33rd AGMs were held within the prescribed time limit under the Companies Act, 2013 in the month of September, i.e. within 6 months from end of the respective Financial Years.</p>			
<b>Annual General Meeting – 2020</b>	<p>34th Annual General Meeting of the Members of the Company is scheduled to be held within the period as per the requirement of the Companies Act 2013. Finalization of Annual Accounts for the Financial Year 2019-20 was delayed due to lockdown order by Central &amp; West Bengal State Government Audited Annual Accounts for the Financial Year 2019-20 are subject to the Comments of Comptroller &amp; Auditor General of India.</p> <p>In terms of power vested with the jurisdictional Registrar of Companies, Kolkata, general extension has been granted by a period of three months from the due date by which the AGM for Financial Year ended 31-03-2020 ought to have been held in accordance with Section 96(1) of the Companies Act, 2013. Thus, AGM can now be held within 3 months after 30-09-2020, without the requirement of application for extension to hold AGM to be made to the RoC.</p>			

Other Disclosures	Transactions of material nature with Directors or their relatives that may have potential conflict with the Interest of the Company	Nil
	Related Party Transactions	Disclosed under Note attached to Accounts for the year ended March 31, 2020
	Details of non-compliances by Company or strictures imposed on it	Nil
	Whistle Blower Policy and affirmation that no personnel has been denied access to Audit Committee	It is affirmed that none was denied access to the Audit Committee
	Details of Compliance of the requirements of these Guidelines	Complied. In terms of Govt. Order by DHI, Smt. Bela Banerjee, IRAS (Retd.), Former Member(Tech.) Railway Claims Tribunal and Shri Tapas Kumar Chatterjee, Advocate, Hon'ble High Court, Calcutta were appointed as the Independent Directors of the Company for the period of 3 years from the date of Govt. Order i.e. from 03.06.2017 up to 02-06-2019. After expiry of 3 years' term, Smt. Bela Banerjee and Shri Tapas Kumar Chatterjee ceased to be the Independent Directors of the Company. At present the position of Independent Directors are vacant after 02-06-2019. Order from DHI for appointment of new IDs is awaited.
	Details of Presidential Directives issued by Central Govt. & their Compliance during the year & last three years	No Directives are pending for compliance
	Items of Expenses debited in Books of Accounts not for business purposes	Nil
	Expenditure incurred which are personal in nature and incurred for the Board of Directors & Top Management	Nil

<b>Means of Communications</b>	<ul style="list-style-type: none"> <li>● Being an Unlisted Government Company, quarterly Results are not required to be published in the News Papers.</li> <li>● Annual Audited Financial Results are displayed on the Company's website</li> </ul> <p>Address for Correspondence: <b>The Braithwaite Burn and Jessop Construction Company Limited</b>, 27, Rajendra Nath Mukherjee Road. Kolkata – 700001</p> <p>Web-site : <a href="http://www.bbjconst.com">www.bbjconst.com</a>  e-mail : <a href="mailto:info@bbjconst.com">info@bbjconst.com</a>  Telephone : 91 33 2248 5841-44 (EPBX)  91 33 2210 3961 (FAX)</p>
<b>Audit Qualifications</b>	The effort of the Company is to move towards a regime of unqualified Financial Statements. Should there be any qualification, adequate explanations are given in support else supplement the qualification through Management Replies. The qualifications as per Audit Report on the Accounts for the year ended 31st March 2020 are self explanatory giving reference of note therein.
<b>Training</b>	Policy for Training of Board Members are approved by the Board and is being followed by the Company
<b>Corporate Governance Audit</b>	Certificate of the Statutory Auditors on Corporate Governance is received and annexed to the Directors' Report

**ANNEXURE TO DIRECTORS' REPORT**  
**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
The Braithwaite Burn and Jessop Construction Co. Ltd.,  
27, R.N.Mukherjee Road,  
Kolkata-700001

We have examined the compliance of conditions of Corporate Governance by The Braithwaite Burn and Jessop Construction Co. Ltd. (hereinafter referred to as "the Company") for the financial year ended March 31, 2020 as stipulated in Clause 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India (hereinafter referred to as "the Guidelines").

Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance as stipulated in the Guidelines. It is neither an Audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance during FY 2019-20, as stipulated in Guidelines.

We 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 ARSK & ASSOCIATES**

Chartered Accountants  
Firm's Reg. No. : 315082E

Per S.K. Maheshwari  
Partner  
Membership No. 054049

Place: Kolkata  
Date: 09/09/2020



## **ANNEXURE TO DIRECTORS' REPORT**

### **ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARDS REPORT**

Sr. No.	Particulars	Remarks
1	A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs	<p>In alignment with the vision of the company, BBJ through its CSR initiatives approved CSR policy in the Board Meeting held on September, 2012 addressing to the various areas which inter-alia included the following:</p> <ul style="list-style-type: none"> <li>● Planning of the CSR project</li> <li>● Base Line Survey</li> <li>● Process of implementation</li> <li>● Funding, Monitoring and Qualifying Criteria for Executing Agency</li> <li>● In the areas of Health, Education, Sanitation &amp; Public Health etc.</li> </ul> <p>Guidelines of the DHI 2013 and subsequently Section 135 of the Companies Act, 2013 are followed strictly</p>
2	The Composition of the Committee	<p>Shri Sunil Kr. Singh, Govt. Nominee Director – Chairperson</p> <p>Shri Ritendra Kr. Mitra, Director (Finance) – Member</p> <p>Shri Arnab Chatterjee, Director (technical) – Member</p>
3	Average net profit of the company for last three financial years	*does not arise in view of Point 4 below
4	CSR fund for the FY 2019-20	The company does not fall within the ambit of Section 135 (1) of The Companies Act, 2013 since the net profit of the company in the immediately preceding financial year i.e. 2018-19 is below Rs.5.00 Crores
5	CSR fund carried forward from FY 2018-19	Rs.42.28 Lakhs
6	Details of CSR spent during the financial year: i. Total amount to be spent for the financial year ii. Amount unspent, if any iii. Manner in which the amount spent during the financial year is detailed below as Annexure to 'ANNUAL REPORT ON CSR ACTIVITIES'	i. Rs.42.28 Lakhs ii. Rs.28.87 Lakhs iii. Rs.13.41 Lakhs

\*Annual Report on CSR activities for the FY 2019-20 attached below.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

Ans. Not Applicable. The Company has utilized the carried forward fund for CSR from the financial year 2018-19 and does not fall within the ambit of Section 135(1) of the Companies Act, 2013 since the net profit of the Company in the financial year 2018-19 is below Rs. 5.00 crores.

7. It is hereby confirmed that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

<b>Shri Sundar Banerjee, C&amp;MD</b>	<b>Shri Sunil Kr. Singh, Govt. Nominee Director (Chairman CSR Committee)</b>
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<b>ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITIES</b>							
<b>Sl. No</b>	<b>CSR Project or activity Identified</b>	<b>Sector in which the Project is covered</b>	<b>Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken</b>	<b>Amount (Cumulative Amount including unspent amount for FY 2018-19)</b>	<b>Amount spent on the projects or programs Sub-heads: (1) direct expenditure on projects or programs (2) Overheads:</b>	<b>Cumulative expenditure upto the reporting period (Inclusive of administrative expenditure)</b>	<b>Amount spent: Direct or through implementing agency*</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>
1.	Supply of Key items to the Schools i Ratakandi MV School ii 407 Vaiala Lower Primary School iii Nitai Ram L P School	Education	Hailakandi District, Assam	i Rs 1.86 Lakhs ii Rs 2.17 Lakhs iii Rs 1.34 Lakhs	i Rs 1.86 Lakhs ii Rs 2.17 Lakhs iii Rs 1.34 Lakhs	Rs 5.37 Lakhs	NGO Life Foundation, Hojai, Assam
2.	Health Camps	Health	Hailakandi District, Assam	Rs 3.98 Lakhs	Rs 3.98 Lakhs	Rs 3.98 Lakhs	NGO Life Foundation, Hojai, Assam
3.	CSR Training	Skill Development	Hailakandi District, Assam	Rs 3.00 Lakhs	Rs 3.00 Lakhs	Rs 3.00 Lakhs	NGO Life Foundation, Hojai, Assam
4.	Administrative Expenditure			Rs 1.06 Lakhs		Rs 1.06 Lakhs	
5.	Unspent Amount			Rs 28.87 Lakhs			
<b>Total</b>				Rs 42.28 Lakhs	Rs 13.41 Lakhs	Rs 13.41 Lakhs	

**## Remaining amount of Rs 28.87 lakh to be carried forward for CSR expenditure after FY 2019-20.**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD.**

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

On the basis of the observation made by the Comptroller and Auditor General of India, this revised audit report has been prepared to substitute the earlier report dated 9th September, 2020 to comply with the observations by the Comptroller and Auditor General of India. Consequent to the revision of the audit report the Clause 6 of 'Basis of Qualified Opinion' has been substituted under this report.

### **Qualified Opinion**

We have audited the accompanying standalone Ind AS Financial statements of **THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD**(Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profits and total comprehensive income, change in equity, and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

1. *Note no. 4 with respect to an investment of Rs. 486.30 lakhs (Previous year Rs. 486.30 lakhs) and Note No. 6 with respect to loans of Rs. 5932.96 lakhs (Previous year Rs. 5932.96 lakhs) and interest receivable/accrued thereon amounting to Rs. 33656.29 lakhs (Previous year Rs. 33656.29 lakhs) as at the reporting date in Bharat Process and Mechanical Engineers Ltd. ('BPMEL'), a Subsidiary of the Company. Notwithstanding the status of BPMEL, which is under liquidation, based on internal assessment carried out by the management of the Company, such investment, loan and interest receivable/accrued on the said loan have been carried at cost. Accordingly, no assessment and consequent provision for impairment in the value of investment and loss allowance for loans and receivable/accrued interest as aforesaid have been made in the accompanying financial statements for the year ended 31st March 2020.*
2. *Note no. 4 with respect to an investment of Rs. 2558.01 lakhs (Previous year Rs. 2558.01 lakhs) made by the company as at reporting date in Jessop & Co. Ltd. ('JCL'). Notwithstanding the status of JCL, which is under liquidation, based on internal assessment carried out by the management of the Company, such investment has been carried at cost. Accordingly, no provision for impairment in the value of investments has been made in the accompanying financial statements for the year ended 31st March 2020.*

3. Note no. 4 with respect to an investment of Rs. 0.30 lakhs (Previous year Rs. 0.30 lakhs) made by the company as at reporting date in Bhagirathi Bridge Construction Company Limited ('BBCCL'), a joint venture of the Company. Based on internal assessment carried out by the management of the Company such investment has been carried at cost and no provision for impairment in the value of investments has been made in the accompanying financial statements for the year ended 31st March 2020.
4. Note no. 6 with respect to loan of Rs. 656.03 lakhs (Previous year Rs. 656.03 lakhs) and interest receivable / accrued thereon amounting to Rs. 350.26 lakhs (Previous year Rs. 350.26 lakhs) made by the company as at the reporting date in Weighbird India Ltd. ('WIL'), a subsidiary of subsidiary of the Company. Notwithstanding the status of WIL, which is under liquidation, based on internal assessment carried out by the management of the Company such loan and interest receivable/accrued thereon has been carried at cost. Accordingly, no loss allowance for loans and receivable/accrued interest has been made in the accompanying financial statements for the year ended 31st March 2020.
5. Note no. 6 with respect to loan of Rs. 207.25 lakhs (Previous year Rs. 207.25 lakhs) made by the company as at the reporting date in Bharat Wagon and Engineering Company Limited ('BWEL'), erstwhile subsidiary of the Company. Such loan has been carried at cost based on internal assessment carried out by the management of the Company. Accordingly, no loss allowance for loans and accrued interest has been made in the accompanying financial statements for the year ended 31st March 2020.

Had the impairment and loss allowance as existing as at 1st April, 2016 (the Ind AS opening balance sheet) referred to above in para 1, 2, 3, 4 and 5 been considered in the standalone financial statements, the opening other equity would have been at negative figure of Rs. 30,617.71 lakhs as on 1st April, 2016 as against the reported figure of Rs. 13229.74 lakhs, and as at the reporting date the other equity would have been at negative figure of Rs. 53529.01 lakhs as against the reported figure of Rs. 9681.52 lakhs and investments and other financial assets would have been Rs. 110 lakhs and Rs. 4634.84 lakhs as against the reported figure of Rs. 3154.61 lakhs and 45437.63 lakhs respectively.

6. Note no. 33 regarding provision of gratuity amounting to Rs. 61.85 lakhs which is not on the basis of actuarial valuation as required under Ind AS 19. In absence of actuarial reports, we are unable to quantify its impact on the financial statements.
7. Note no. 42 regarding the transfer of sale proceeds of Rs. 1818 lakhs received from sale 6,81,34,428 equity shares of Jessop & Co. Ltd. (Jessop) to Government of India without compliances under the prevailing laws. We are unable to comment on the consequential adjustment that may be required in the financial statements in respect of the aforesaid matter.
8. Note no. 48, the company has not accounted for the accrued interest on loans of Rs. 6,588.99 lakhs granted to Bharat Process and Mechanical Engineers Ltd. ('BPMEEL') a subsidiary and Weighbird India Ltd. ('WIL') a second layer subsidiary ('subsidiaries') of the company in view of non-recoverability thereof as the aforesaid subsidiaries of the company are under liquidation and on loans of Rs. 207.25 lakhs to Bharat Wagon and Engineering Company Limited ('BWEL') the erstwhile subsidiary of the company.

Further, the company has not provided for the interest payable on the loans of Rs. 6588.99 lakhs taken from the Government of India, which was used for granting the loans to the aforesaid subsidiaries of the Company. Had the interest payable on such loans been provided for the finance cost for the current financial year would have been higher by Rs. (2160.61 lakhs) (Previous Year Rs. 2158.30 lakhs) and the amounts payable to the Government of India would have been higher by Rs. 50290.73 lakhs consisting of the total interest, which has not been provided for till the reporting date. Accordingly, the profit for the current financial year would have been lower by Rs. 2160.61 lakhs, (Previous year Rs. 2158.30 lakhs) and the amounts payable to Government of India including the interest payable thereon would have been higher by Rs. 50290.73 lakhs

9. *Note no. 49 regarding uncontested Income-tax demand of Rs. 19.33 lakhs as appearing in the official portal of the Income-tax Department for which the company has not been able to produce appropriate documents or evidences for rebuttal. The said liability remains unverified and should have been provided for in accordance with the accounting convention. Had the said liability been provided for the profit for the year would have been lower by Rs. 19.33 lakhs and the liability for Income-tax would have been higher by similar amount.*
10. *Note no. 50 regarding inventories comprising of old and unused stocks amounting to Rs 62.47 lakhs under Raw Material, Rs 2.78 lakhs under Stores Spares parts & Components which are lying for more than 7 years and Rs 8.18 lakhs under Loose Tools which are lying for more than 9 years against which no provision has been made in the books of accounts. The impact thereof on the financial statements is not ascertainable and quantifiable.*
11. *Note no. 51 regarding sundry expenses recoverable of Rs. 55.38 lakhs which are outstanding before 01/04/2011 and are subject to reconciliation. We are unable to comment on the realisability of the aforesaid amount and no provision has been made in the books of accounts for the same.*
12. *Note No. 52 of financial statements amount receivables from and to payable to the various parties including amount receivable from subsidiaries are subject to confirmation and reconciliation. Third party confirmations in respect of these balances have not been obtained by the Company. Pending such conformation and reconciliations, the impact thereof on the financial statements is not ascertainable and quantifiable.*
13. *The share certificates for investment in 300 Equity shares of Bhagirathi Bridge Construction Company Limited amounting to Rs. 0.30 lakhs(Previous year 0.30 lakhs)&relevant documents for investment in 5% Non-Redeemable Registered Debenture in East India Clinic Limited amounting to Rs. 0.16 lakhs (Previous year 0.16 lakhs) were not made available for our physical verification. Hence, we are unable to comment on the physical existence of the same.*
14. *Note no.53 in respect of certain cash balances and balances with banks which are subject to confirmation from respective banks. Had the provision for losses in respect such balances been made in the financial statements, the profit for the year would have been lower by Rs. 1.65 lakhs and the cash balance would have been lower by Rs.0.70 lakhs and the balances with bank would have been lower by Rs. 0.95 lakhs.*

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

#### Emphasis of matter

We draw attention to note 54 of the standalone Ind AS financial statements, as regards the management's evaluation of covid-19 impact on the operation and assets of the Company. Our opinion is not modified in respect of this matter.

**“Other Information”**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS Financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS Financial statements that give a true and fair view of the standalone Ind AS Financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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

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

**Auditor's Responsibilities for the Audit of the financial statements**

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

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



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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, 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, in the "**Annexure B**" on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'C'.
- (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 29 and Note 40 to the standalone financial statements.
  - ii. The Company has entered into long term construction contracts. The company has accounted for foreseeable loss of Rs. Nil (Previous Year Rs.90.66 lakhs) as at the end of financial year on unexecuted portion of long term contracts. The company has not entered into any derivative contract.
  - iii. There are no such amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **ARSK & ASSOCIATES**

Chartered Accountants

Firm's Reg. No. : 315082E

Per S.K. Maheshwari

Partner

Membership No. 054049

Place: Kolkata

Date: 13.10.2020

## **ANNEXURE “A” TO THE AUDITORS’ REPORT**

The Annexure A referred to in our Independent Auditors’ Report to the members of **THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD.** on the standalone Ind AS financial statements for the year ended 31st March 2020.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were stated to have been noticed on such verification.
- (c) Building includes permanent structures amounting to Rs. 131.46 lakhs (Previous year Rs. 131.46 lakhs) on land at Circular Garden Reach Road, Kolkata obtained under License Agreement from Kolkata Port Trust. The company is regular in payment of lease rental but copy of the deed/agreement has not been furnished to us for our verification.
2. According to the information and explanations given to us, the management has conducted physical verification of inventory at regular intervals and no material discrepancies were noticed on physical verification.
3. According to the information and explanation given to us the company has granted unsecured loan to its subsidiary company and a second-layer subsidiary company, which are currently under liquidation. Hence, we are unable to comment on the provisions of Clause 3(iii) [(a), (b) and (c)] of the said order.
4. The Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans advanced to subsidiary companies and investments made in the subsidiary and joint venture companies. The Company has not given any guarantee or provided any security to any party covered under Section 185 and 186 of the Act.
5. The company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. 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.
7. (a) According to the information and explanations given to us and the books and records examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other statutory dues as applicable to it have been regularly deposited during the year by the Company with the appropriate authorities except for delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service Tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a year of more than six months from the date they became payable except as stated below:

S. No	Nature of Dues	Amount (Rs. in Lakhs)	Period to which it Relates
1	Employees Provident Fund	17.24	Old Dues
2	Professional Tax	0.46	Old Dues
3	Tax Collected on Source	0.16	Old Dues
4	Service Tax Payable (Relating to erstwhile BBUNL)	1.94	Old Dues (details not available)
5	Tax Deducted at Source	1.55	Old Dues
6	Income Tax Demand	0.21	1998-99
7	Income Tax Demand	1.16	2005-06
8	Income Tax Demand	4.60	2006-07
9	Income Tax Demand	9.23	2007-08
10	Income Tax Demand	2.98	2008-09
11	Income Tax Demand	0.08	2012-13
12	Income Tax Demand	1.17	2015-16

- (b) According to the information and explanations given to us and on the basis of the books and records examined by us, as may be applicable, given herein below are the details of dues of income tax, sales tax, service tax, provident fund which have not been deposited on account of disputes and the forum where the dispute is pending:

Sl. No.	Name of the Statute	Nature of Dues	Period of which relates (F.Y)	Forum where dispute is pending/dismissed	Amount (in Rs. Lakhs)
1	W.B. Value Added Tax Act, 2003	Works Contract Tax	2011-12	Joint Commissioner of Commercial Taxes	4.30
2	Bihar Value added Tax Act, 2005	Works Contract Tax	2010-11	Joint Commissioner of Commercial Taxes	33.25
3	Bihar Value added Tax Act, 2005	Works Contract Tax	2011-12	Joint Commissioner of Commercial Taxes	30.98
4	Finance Act, 1994	Service tax Demand, Interest thereon under section 75 (amount not qualified) and penalty imposed	2007-08 to 2011-12	The Customs, Excise & Service Tax Appellate Tribunal	154.45
5	W.B. Value Added Tax Act, 2003	WB Works Contract Tax Demanded	2017-18	Appellate Authority	0.80

Sl. No.	Name of the Statute	Nature of Dues	Period of which relates (F.Y)	Forum where dispute is pending/dismissed	Amount (in Rs. Lakhs)
6	Employees Provident Fund and Miscellaneous Provisions Act 1952	Damages/ Interest payable	03/2000 to 04/2008	Provident Fund Commissioner, RO, Kolkata, West Bengal has raised the demand. The Company has preferred an appeal before Employees Provident Fund Appellate Tribunal New Delhi and before Hon'ble High Court, Calcutta. Demand amount is Rs. 96.10 lakhs & fund with BBUNL Provident Fund Trust Organisation Rs. 41.96 lakhs	54.14
7	Delhi Value Added Tax Act, 2004	Works Contract Tax	2004-05	Commercial Tax Department	19.36
8	W.B. Value Added Tax Act, 2003	Works Contract Tax	2011-12	Appellate Authority	27.39
9	W.B. Value Added Tax Act, 2003	Works Contract Tax	2009-10	Appellate Authority	3.58
10	Bihar GST	TRAN 1 Interest	2017-18	Appellate Tribunal	12.55
11	W.B. Value Added Tax Act, 2003	Entry Tax	2016-17	Appellate Authority	0.51
12	W.B. Value Added Tax Act, 2003	Works Contract Tax	2016-17	Appellate Authority	0.21
13	Income Tax, 1961	Income Tax Demand	2009-10	Commissioner of Income Tax (Appeal)	20.64
14	Income Tax, 1961	Income Tax Demand	2010-11	Jurisdiction Assessing Officer	0.96
15	Income Tax, 1961	Income Tax Demand	2011-12	Commissioner of Income Tax (Appeal)	6.34
16	Income Tax, 1961	Income Tax Demand	2012-13	Jurisdiction Assessing Officer	285.31
17	Income Tax, 1961	Income Tax Demand	2013-14	Jurisdiction Assessing Officer	63.87
18	Income Tax, 1961	Income Tax Demand	2013-14	Income Tax Appellate Tribunal	58.68

8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to the banks and debenture holders and has not taken any loans or borrowings from financial institutions and government during the year.
9. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer or term loans. Accordingly, paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
12. 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.
13. All transactions with the related parties held in the Company are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Indian accounting standards.
14. 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.
15. 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.
16. In our opinion and as per information and explanation provided the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ARSK & ASSOCIATES**

Chartered Accountants

Firm's Reg. No.: 315082E

per S. K. Maheshwari

Partner

Membership No. 054049

Place: Kolkata

Date: 09.09.2020



## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **General Directions under Section 143(5) of the Companies Act, 2013**

Directions u/s 143(5) of the companies Act, 2013	Auditor's reply on action taken on the directions	Impact on Financial statements
<b>(I) Accounting software</b>  Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated.	The company is using accounting software named Tally ERP 9 and processes all the accounting transactions through it. According to information and explanation given to us, no accounting transactions are processed outside the aforesaid accounting software, which is currently in use by the company.	Not applicable.
<b>(II) Debt restructuring</b>  Whether there is any restructuring of an existing loans or cases of waiver/ write off of debts/ loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The company doesn't have any borrowing except for loans from Government of India, which is the Promoter of the Company hence this clause is not applicable.	NIL
<b>(III) Treatment of Govt. Fund/ Grant</b>  Whether funds received/ receivable for specific scheme from central/ state agencies were properly accounted for/ utilized as per its terms and condition? List the cases of deviation.	According to information and explanation given to us, no funds received/receivable for specific scheme from central/state agencies during the year.	NIL

## **ANNEXURE –“C” TO THE AUDITORS’ REPORT**

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

We have audited the internal financial controls over financial reporting of **THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD.** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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.

#### **Auditor’s 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.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### **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.

**Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

For **ARSK & ASSOCIATES**

Chartered Accountants

Firm's Reg. No.: 315082E

per S.K.Maheshwari

Partner

Membership No.: 054049

Place: Kolkata

Date: 09.09.2020

## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2020**

The preparation of financial statements of the Braithwaite Burn and Jessop Construction Company Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the companies act 2013 ( Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of the India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Revised Audit Report date 13 October 2020 which supersedes their earlier Audit Report dated 09 September 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of the Braithwaite Burn and Jessop Construction Company Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effort to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the  
Comptroller & Audit General of India

Place: Kolkata

Date: 15 Oct. 2019

**(Suparna Deb)**  
Director General Audit (Mines)  
Kolkata

**BALANCE SHEET AS AT 31ST MARCH 2020****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

	Note	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	490.61	588.32
Capital work-in-progress		-	-
Intangible assets	3	7.72	9.22
Financial assets			
Investments	4	3,158.24	3,154.61
Trade receivables	5	-	-
Others	6	5,514.05	2,898.43
Deferred tax assets, net	7	562.80	501.55
		<b>9,733.42</b>	<b>7,152.14</b>
<b>Current assets</b>			
Inventories	8	5,392.68	2,918.04
Financial assets			
Trade receivables	5	3,265.03	5,590.56
Cash and cash equivalents	9	4,007.29	5,106.23
Other bank balances	10	3,984.58	6,888.31
Others	6	45,325.25	45,442.06
Current Tax Assets	11	397.74	213.16
Other Current Assets	12	1,374.25	644.42
		<b>63,746.82</b>	<b>66,802.78</b>
<b>Total assets</b>		<b>73,480.24</b>	<b>73,954.92</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	13	12,086.05	12,086.05
Other equity	14	8,566.11	9,681.52
<b>Total equity</b>		<b>20,652.16</b>	<b>21,767.57</b>

**Non-current liabilities**

Financial Liabilities

Borrowings	15	297.82	313.07
Provisions	16	527.10	428.50
Other non-current liabilities	17	184.28	216.80

**1,009.20**

**958.38**

**Current liabilities**

Financial Liabilities

Borrowings	15	6,589.00	6,589.79
Trade payables	18	9,113.62	7,597.46
Other financial liabilities	19	34,685.99	34,605.64
Other current liabilities	17	1,396.55	2,385.51

Provisions	16	33.71	50.58
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**51,818.89**

**51,228.98**

**Total liabilities**

**52,828.08**

**52,187.36**

**Total equity and liabilities**

**73,480.24**

**73,954.92**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for and on behalf of the Board of Directors of

**The Braithwaite Burn and Jessop Construction Company Limited**

CIN: U70100WB1986GOI041286

**For ARSK & Associates**

Chartered Accountants

Firm's Registration Number: 0315082E

**S.K Maheshwari**

Partner

Membership No.: 054049

**Sundar Banerjee**

Chairman & Managing Director

**Mukesh Kumar**

Director (Finance)

**S K Ghosh**

Deputy General Manager (Finance)

**N K Mishra**

Company Secretary

**Place: Kolkata**

**Date: 09 Sep 2020**

**STATEMENT OF PROFIT AND LOSS FOR 31ST MARCH 2020****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	20	10,640.23	10,500.77
Other income	21	721.61	1,464.77
<b>Total income</b>		<b>11,361.84</b>	<b>11,965.55</b>
<b>Expenses</b>			
Cost of materials consumed	22	3,373.76	1,863.38
Changes in inventories and work in progress	23	(2,261.94)	1.82
Employee benefits expense	24	1,996.97	2,089.80
Finance costs	25	60.91	65.47
Depreciation and amortisation expense	26	122.88	135.93
Other expenses	27	7,841.37	7,649.26
<b>Total expense</b>		<b>11,133.95</b>	<b>11,805.66</b>
<b>Profit before tax</b>		<b>227.89</b>	<b>159.89</b>
<b>Tax expenses</b>			
Current tax 28		93.21	141.41
Deferred tax 28		(61.25)	(17.65)
<b>Total tax expense</b>		<b>31.96</b>	<b>123.75</b>
<b>Profit for the year</b>		<b>195.92</b>	<b>36.13</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income-tax effect	28	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>195.92</b>	<b>36.13</b>
<b>Earnings per equity share (nominal value of INR 1,000) in INR</b>	35		
Basic		16.21	2.99
Diluted		16.21	2.99

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for and on behalf of the Board of Directors of

**The Braithwaite Burn and Jessop Construction Company Limited**

CIN: U70100WB1986GOI041286

**For ARSK & Associates**

Chartered Accountants

Firm's Registration Number: 0315082E

**S.K Maheshwari**

Partner

Membership No.: 054049

**Sundar Banerjee**

Chairman &amp; Managing Director

**S K Ghosh**

Deputy General Manager (Finance)

**Mukesh Kumar**

Director (Finance)

**N K Mishra**

Company Secretary

**Place: Kolkata****Date: 09 Sep 2020**



**STATEMENT OF CASH FLOWS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	227.89	159.88
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	117.78	132.45
Amorisation of intangible assets	5.10	3.49
Profit on sale Property, Plant & Equipment (Net)	(0.36)	(0.94)
Interest income on bank and Security Deposits	(681.79)	(993.24)
Finance costs	60.91	65.47
Apportioned Income from Government Grant	(34.75)	(36.27)
Interest income	(3.62)	(3.43)
<b>Operating profit before working capital changes</b>	<b>(308.85)</b>	<b>(672.60)</b>
<i>Changes in working capital:</i>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	2,325.53	(1,704.59)
Inventories	(2,474.63)	(217.06)
Other financial assets - current	116.81	374.55
Other current assets	(729.84)	(300.67)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	1,516.16	1,309.46
Other financial liabilities - current	80.35	78.40
Other current liabilities	(988.96)	460.77
Provisions	81.73	50.41
<b>Cash generated from operations</b>	<b>(381.68)</b>	<b>(621.33)</b>
Income taxes paid	(277.76)	(288.51)
<b>Net cash generated from/(used in) operating activities</b>	<b>(659.44)</b>	<b>(909.84)</b>
<b>II. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(32.67)	(201.06)
Disposal of property, plant and equipment and intangibles (including capital work in progress)	9.34	48.41
(Investments in)/ redemption of term deposits with Banks with original maturities of more than 3 months	2,903.73	(840.17)
Interest received	681.79	993.24
Deposits with Bank having maturity if more than one year from the balance sheet date	(2,615.62)	(1,162.43)
<b>Net cash used in investing activities</b>	<b>946.57</b>	<b>(1,162.01)</b>

**III. Cash flows from financing activities**

Proceeds from/(repayment of) long-term borrowings, net	(47.77)	(48.48)
Proceeds from/(repayment of) short-term borrowings, net	-	-
Interest paid	(26.16)	(29.20)
Final dividend	(1,087.74)	(1,208.61)
Tax on final dividend	(223.59)	(248.43)

<b>Net cash provided by financing activities</b>	<b>(1,385.26)</b>	<b>(1,534.72)</b>
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<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(1,098.14)</b>	<b>(3,606.58)</b>
-------------------------------------------------------------	-------------------	-------------------

Cash and cash equivalents at the beginning of the year	5,105.43	8,712.01
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Cash and cash equivalents at the end of the year	4,007.29	5,105.43
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(refer note below)

**Note:**

**Cash and cash equivalents comprise:**

Cash in hand	0.14	2.23
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Balances with banks:

- On current accounts	1,498.94	203.99
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- In deposit accounts with Original Maturity of less than three months	2,508.21	4,900.00
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Overdraft from Canara Bank	-	(0.79)
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<b>4,007.29</b>	<b>5,105.43</b>
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Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for and on behalf of the Board of Directors of

**The Braithwaite Burn and Jessop Construction Company Limited**

CIN: U70100WB1986GOI041286

**For ARSK & Associates**

Chartered Accountants

Firm's Registration Number: 0315082E

**S.K Maheshwari**

Partner

Membership No.: 054049

**Sundar Banerjee**

Chairman & Managing Director

**Mukesh Kumar**

Director (Finance)

**S K Ghosh**

Deputy General Manager (Finance)

**N K Mishra**

Company Secretary

**Place: Kolkata**

**Date: 09 Sep 2020**

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

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

**a. Equity Share Capital**

	<b>No. of shares</b>	<b>Amount</b>
Balance as at April 1, 2018	12,08,605	12,086.05
Balance as at March 31, 2019	12,08,605	12,086.05
Add: Issued during the year	-	-
Balance as at March 31, 2020	12,08,605	12,086.05

**b. Other equity**

<b>Particulars</b>	<b>Reserves and Surplus</b>				
	<b>Capital Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Debenture Redemption Reserve</b>	<b>Total</b>
<b>As at 31 March 2018</b>	0.06	1,473.65	9,325.06	303.66	11,102.43
Profit for the year	-	-	36.13	-	36.13
Issued during the year	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-
Final dividend 2017-18	-	-	(1,208.61)	-	(1,208.61)
Tax on final dividend	-	-	(248.43)	-	(248.43)
<b>As at 31 March 2019</b>	0.06	1,473.65	7,904.15	303.66	9,681.52
Profit for the year	-	-	195.92	-	195.92
Issued during the year	-	-	-	-	-
Final dividend 2018-19	-	-	(1,087.74)	-	(1,087.74)
Tax on final dividend	-	-	(223.59)	-	(223.59)
<b>Other comprehensive income</b>					
Re-measurement gains/ (losses) on defined benefit plans, net of tax	-	-	-	-	-
Income-tax effect	-	-	-	-	-
<b>Balance as of 31 March 2020</b>	<b>0.06</b>	<b>1,473.65</b>	<b>6,788.74</b>	<b>303.66</b>	<b>8,566.11</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for and on behalf of the Board of Directors of  
**The Braithwaite Burn and Jessop Construction Company Limited**  
CIN: U70100WB1986GOI041286

**For ARSK & Associates**

Chartered Accountants

Firm's Registration Number: 0315082E

**S.K Maheshwari**

Partner

Membership No.: 054049

**Sundar Banerjee**

Chairman &amp; Managing Director

**Mukesh Kumar**

Director (Finance)

**S K Ghosh**

Deputy General Manager (Finance)

**N K Mishra**

Company Secretary

**Place: Kolkata****Date: 09 Sep 2020**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 1 Company Information and Significant Accounting Policies

#### A. Reporting entity

The Braithwaite Burn and Jessop Construction Company Limited ('the Company') is a Company domiciled in India and limited by shares (CIN: U70100WB1986GOI041286). The address of the Company's registered office is 27, R. N. Mukherjee Road, Modi Building, Kolkata - 700001. The Company is primarily involved in business of construction including fabrication.

#### B. Basis of preparation of financial statements

##### 1 Statement of Compliance

These financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956. Details of the accounting policies are included in Note 1.

##### 2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;

##### 3 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements.

##### 4 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

##### 5 Operating cycle

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

##### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets/liabilities are classified as non-current.

## 6 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities and contingent assets at the date of financial statement and the results of operation during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Revenue and inventories** – The Company recognizes revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information.

**Useful lives of depreciable/ amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

### 7 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:–  
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### C. Significant accounting policies

#### 1 Revenue recognition

##### a) Revenue from construction contract is recognised as follows:

1. **Cost plus contracts:** Revenue from cost plus contracts is determined with reference to the recoverable costs incurred during the period plus the margin as agreed with the customer.
2. **Fixed price contracts:** Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to the condition that it is probable such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.  
The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:
  - i. the amount of revenue can be measured reliably;
  - ii. it is probable that the economic benefits associated with the contract will flow to the Company;
  - iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
  - iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.
3. In accordance with **IndAS 115 "Revenue from Contracts with customers"**, Revenue is recognised from construction and service activities is based on "over time" method and the company uses the output method to measure progress of delivery. When the outcome of individual contracts can be estimated reliably, contract revenue and contract cost are recognised as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognised as incurred and revenue is recognised on the basis of proportion of total cost at the reporting date to the estimated total cost of the contract.  
For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as due from customers. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received.  
Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

- b) **Sale of Goods:** Revenue from sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, it no longer retains control over the



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- c) **Rendering of services :** Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits associated with the transaction will flow to the Company;
3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

- d) **Interest Income:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.
- e) **Dividend Income:** Dividend income is recognised when the Company's right to receive the dividend is established.

## 2 Leases

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019.

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis: (i) Low value leases; and (ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease receipts in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

### 3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### 4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### 5 Income Tax

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Dividend Distribution Tax

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

## **6 Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 7 Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

#### 7.1 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

#### 7.2 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided as per the Written Down Value Method over the useful lives as prescribed in Schedule II to the Act. Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company. Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit & Loss.

### 8 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

#### Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Company amortizes computer software using the straight-line method over the period of 3 years.

### 9 Inventories

Inventories are valued after providing for obsolescence, as under:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

- (i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- (ii) Completed property/work-in-progress in respect of construction activity at lower of specifically identifiable cost or net realisable value.

Assessment of net realisable value is made at the end of each reporting period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

### 10 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### 11 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

### 12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### 13 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired. An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

### 14 Employee benefits

#### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Defined contribution plans**

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

#### **Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

### **Termination benefits**

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### **Other long-term employee benefits**

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

## **15 Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## **16 Contingent liabilities & contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## **17 Financial instruments**

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of Profit or Loss.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

In case of funding to subsidiary companies in the form of interest free or concession loans and preference shares, the excess of the actual amount of the funding over initially measured fair value is accounted as an equity investment.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

### (i) Financial assets:

- A. All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets as follows:
  1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value.
  2. Investments in debt instruments that meet the following conditions are subsequently measured at - at amortised cost (unless the same designated as fair value through profit or loss):
    - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
    - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  3. Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)
    - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
    - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  4. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.
  5. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.
  6. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
  7. Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.
- B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
  2. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and
- (a) the company has transferred substantially all the risks and rewards of the asset, or
  - (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in Profit or Loss.

D. Impairment of financial assets: The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount.

### (ii) Financial liabilities:

A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

## 18 Dividends

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

## 19 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 20 Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 2 Property, plant and equipment

Particulars	Buildings	Plant and Machinery	Ship (Speed Boat)	Computers	Furniture and Fixtures	Vehicles	Total
<b>Cost or Deemed Cost ( Gross Carrying Amount)</b>							
<b>As at March 31, 2018</b>	126.99	1,794.83	2.32	89.02	101.11	3.71	2,117.97
Additions	5.64	141.44	-	11.35	0.25	-	158.68
Less: Disposal / Adjustments	-	-	-	(29.49)	(8.98)	-	(38.48)
<b>As at March 31, 2019</b>	132.63	1,936.27	2.32	70.88	92.38	3.71	2,238.17
	132.63	1,936.25	2.32	70.88	92.38	3.72	2,238.16
Additions	-	25.01	-	3.80	0.26	-	29.07
Less: Disposal / Adjustments	-	(13.23)	-	-	(32.75)	-	(45.99)
<b>As at March 31, 2020</b>	132.63	1,948.03	2.32	74.68	59.88	3.72	2,221.25
<b>Accumulated depreciation</b>							
<b>As at March 31, 2018</b>	57.81	1,336.13	2.30	75.90	79.58	3.68	1,555.38
Additions	7.77	106.03	-	10.63	8.00	0.00	132.44
Less: Disposal / Adjustments	-	-	-	(29.22)	(8.78)	-	(38.00)
<b>As at March 31, 2019</b>	0.00	0.01	0.00	0.00	0.00	0.00	0.02
	65.58	1,442.17	2.29	57.31	78.79	3.67	1,649.82
Additions	6.95	96.90	-	9.19	4.74	0.00	117.78
Less: Disposal / Adjustments	-	(5.25)	-	-	(31.75)	-	(37.01)
<b>As at March 31, 2020</b>	72.53	1,533.82	2.29	66.50	51.77	3.67	1,730.60
<b>Net Book Value</b>							
<b>As at March 31, 2020</b>	60.10	414.21	0.02	8.18	8.11	0.05	490.65
<b>As at March 31, 2019</b>	67.05	494.08	0.02	13.56	13.58	0.05	588.34

**Note:**

- Refer note 15 for information on Property, Plant & Equipments hypothecated as security by the Company.
- Building includes Rs. 131.46 lakhs (Previous Year - Rs. 131.46 lakhs) in respect of permanent structures on land at Circular Garden Reach Road, Kolkata, under license agreement from Kolkata Port Trust.

### 3. Intangible assets

Particulars	Computer Software
<b>Cost or Deemed Cost ( Gross Carrying Amount)</b>	
<b>As at March 31, 2018</b>	16.63
Additions	4.39
<b>As at March 31, 2019</b>	21.02
	21.02
Additions	3.60
<b>As at March 31, 2020</b>	24.62
Accumulated amortisation	
<b>As at March 31, 2018</b>	8.31
Charge for the year	3.49
<b>As at March 31, 2019</b>	11.80
	11.80
Charge for the year	5.10
<b>As at March 31, 2020</b>	16.90
<b>Net Book Value</b>	
<b>As at March 31, 2020</b>	7.72
<b>As at March 31, 2019</b>	9.22

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 4 Investments

31 March 2020    31 March 2019

#### Non-current investments

##### (A) Investments in Equity Instruments

##### (a) Subsidiary companies (Unquoted, Valued at Cost)

<b>Bharat Process and Mechanical Engineers Ltd*</b>	486.30	486.30
48,630 Equity Shares of Rs 1000/- each fully paid-up	-	-

##### (b) Joint Venture companies

<b>Bhagirathi Bridge Construction Company Limited (Unquoted, Valued at Cost)</b>	0.30	0.30
300 Equity Shares of Rs 100/- each fully paid-up	-	-

##### (c) Other companies

<b>Lagan Jute Machinery Co Ltd. (Unquoted, Valued at FVTPL)</b>	42.20	42.20
4,22,000 Equity Shares of Rs 10/- each fully paid-up	-	-

<b>Jessop &amp; Co. Ltd. (Quoted, Valued at FVTPL)*</b>	2,558.01	2,558.01
2,55,80,122 Equity Shares of Rs 10/- each fully paid-up	-	-

##### (B) Investments in debentures or bonds

##### (Unquoted, Valued at Amortised Cost)

5% Non - Redeemable Registered Debenture Stock of East India Clinic Ltd.	0.16	0.16
99 No. ICICI Redeemable Money Multiplier Bond-2026	71.26	67.64
	-	-
	-	-

#### Total investments

<b>3,158.24</b>	<b>3,154.61</b>
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#### Aggregate book value of

- quoted investments	2,558.01	2,558.01
- unquoted investments	600.23	596.60

#### Aggregate market value of quoted investments

N/A	N/A
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Cost of the equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurement and cost represent the best estimate of fair value within that range.

\*Bharat Process and Mechanical Engineers Ltd. (BPMEL) and Jessop & Co. Ltd are under liquidation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****5 Trade receivables (Unsecured)**

	31 March 2020	31 March 2019
<b>Non-current</b>		
Long Term Trade Receivables, considered good	38.98	38.98
Less: Allowances for doubtful receivables	(38.98)	(38.98)
	-	-
<b>Current</b>		
Considered good	4,099.01	6,293.33
Considered doubtful	778.83	778.83
	4,877.84	7,072.16
Less: Allowance for doubtful receivables	(1,612.81)	(1,481.60)
<b>Total trade receivables</b>	<b>3,265.03</b>	<b>5,590.56</b>

a) Refer note 15 for information of trade receivables hypothecated as securities by the Company.

**6 Other Financial Assets**

	31 March 2020	31 March 2019
<b>Non-current</b>		
Deposits with Bank having maturity of more than one year from the balance sheet date*	1,983.30	-
	-	-
<b>Others</b>		
Earnest Money & Other Deposit	3,530.75	2,898.43
	<b>5,514.05</b>	<b>2,898.43</b>
<b>Current</b>		
<b>Loans &amp; Advances</b>		
GOI Loan receivable on loan to subsidiary company and others	6,796.31	6,796.31
Other Advances	3,081.18	3,305.67
	-	-
<b>Interest Receivable/Accrued</b>		
On loans to subsidiary company	34,006.55	34,006.55
Accrued Interest on Investment, Deposit & Term Deposits	300.67	590.38
<b>Others</b>		
Earnest Money & Other Deposit	1,150.77	757.38
Less: Allowance for doubtful debts	(53.15)	(53.15)
	1,097.63	704.23
Receivables - Others	42.92	38.93
	<b>45,325.25</b>	<b>45,442.07</b>

\*Includes deposits marked lien in favour Bank Rs.19.83 Lakhs (PY-Nil).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****7 Deferred tax asset, net**

	31 March 2020	31 March 2019
Deferred tax asset		
- Expected credit loss on financial assets	443.29	409.17
- Provision for employee benefits	129.64	110.15
<b>Total</b>	<b>572.93</b>	<b>519.32</b>
Deferred tax liability		
- Tangible and Intangible assets	(5.38)	(13.96)
- Financial assets at amortised cost	(4.75)	(3.81)
<b>Deferred tax asset, net</b>	<b>562.80</b>	<b>501.55</b>

**8 Inventories**

	31 March 2020	31 March 2019
Raw materials	836.27	622.68
Stores, Spare Parts & Components (Net)	2.78	2.78
Loose Tools	16.41	17.31
Work in progress	4,537.22	2,275.27
-	-	-
<b>Total inventories</b>	<b>5,392.68</b>	<b>2,918.04</b>

a) Refer note 15 for information on inventories hypothecated as securities by the Company.

**9 Cash and cash equivalents**

	31 March 2020	31 March 2019
Balances with banks:		
- On current accounts	1,498.94	203.99
- In deposit accounts with Original Maturity of less than three months*	2,508.21	4,900.00
Cash on hand	0.14	2.23
<b>Total cash and cash equivalents</b>	<b>4,007.29</b>	<b>5,106.23</b>

\*Includes deposits marked lien in favour Bank Rs. 958.21 (PY-Rs. 1000.00 lakhs).



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****10 Other Bank balances**

	31 March 2020	31 March 2019
Term deposits with Banks with original maturities of more than 3 months*	5,967.88	6,888.31
Less: Deposits with Bank disclosed under 'other financial assets' having maturity of more than 12 months	(1,983.30)	-
<b>Total other Bank balances</b>	<b>3,984.58</b>	<b>6,888.31</b>

\*Includes deposits marked lien in favour Bank Rs.5967.88 lakhs (PY-Rs. 2876 lakhs).

**11 Current tax assets**

	31 March 2020	31 March 2019
Current tax assets (Net of provision)	397.74	213.16
	<b>397.74</b>	<b>213.16</b>

**12 Other Assets**

	31 March 2020	31 March 2019
<b>Current</b>		
Balance with Government and Statutory Authorities	1,374.25	644.42
	<b>1,374.25</b>	<b>644.42</b>

**13 Share Capital**

	31 March 2020	31 March 2019
<b>Authorised Share Capital</b>		
Equity Share Capital		
34,81,000 (March 31, 2018: 34,81,000) equity shares of Rs.1000/- each	<b>34,810.00</b>	<b>34,810.00</b>
<b>Issued,</b>		
Equity Share Capital		
12,08,605 (March 31, 2018: 10,37,305) equity shares of Rs.1000/- each	<b>12,086.05</b>	<b>12,086.05</b>
<b>Subscribed and fully paid-up share Capital</b>		
Equity Share Capital		
12,08,605 (March 31, 2018: 10,37,305) equity shares of Rs.1000/- each	<b>12,086.05</b>	<b>12,086.05</b>
	<b>12,086.05</b>	<b>12,086.05</b>

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

**(a) Reconciliation of shares outstanding at the beginning and end of the reporting year**

Particulars	31 March 2020 No. of equity shares	31 March 2019 No. of equity shares
Outstanding at the beginning of the year	12,08,605	12,08,605
Issued during the year	-	-
Outstanding at the end of the year	12,08,605	12,08,605

**(b) Terms / rights attached to the equity shares**

Equity shares of the Company have a par value of ₹ 1000 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shareholding Pattern with respect of Holding or Ultimate Holding Company**

The Company does not have any Holding Company or Ultimate Holding Company.

**(d) Details of shareholders holding more than 5% shares in the Company**

Particulars	31 March 2020 No. of equity shares held	31 March 2019 No. of equity shares held
President of India and its nominees	12,08,605	12,08,605
	12,08,605	12,08,605

(e) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(f) Consequent to Capital Restructuring Schemes sanctioned by Board for Industrial and Financial Reconstruction (BIFR) earlier in respect of Braithwaite & Co. Ltd. ('BCL'), Burn Standard Co. Ltd. ('BSCL'), Bharat Brakes & Valves Ltd. ('BBVL') and RBL Ltd. ('RBL') and pursuant to approval of the Government of India for financial restructuring allowing conversion of loans & interest into equity share capital & Zero Rated Debentures in respect of BSCL, BCL and BBJ. In consideration of the direction of Department of Investment and Public Asset Management for the aforesaid amount, the company has issued equity shares to President of India on 28th April, 2017.

(g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

(h) No calls are unpaid by any Director or Officer of the Company during the year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 14 Other equity

	31 March 2020	31 March 2019
Capital Reserve	0.06	0.06
General reserve	1,473.65	1,623.65
Debenture redemption Reserve	303.66	153.66
Retained earnings	6,788.78	7,904.15
	<u>8,566.15</u>	<u>9,681.52</u>

#### (a) Capital Reserve

	31 March 2020	31 March 2019
Opening balance	0.06	0.06
Additions during the year	-	-
Closing balance	<u>0.06</u>	<u>0.06</u>

Capital reserve represent capital receipts by the Company.

#### (b) General reserve

	31 March 2020	31 March 2019
Opening balance	1,473.65	1,473.65
Add: Transfers during the year	-	150.00
Closing balance	<u>1,473.65</u>	<u>1,623.65</u>

General Reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise.

#### (c) Debenture redemption Reserve

	31 March 2020	31 March 2019
Opening balance	303.66	303.66
Add: Transfers during the year	-	(150.00)
Closing balance	<u>303.66</u>	<u>153.66</u>

In accordance with applicable provisions of the Companies Act, 2013 read with Rules and as per decision of Board of Directors, the Company has created Debenture Redemption Reserve (DRR) @ 25% of the value of debentures on a prudent basis for the purpose of redemption of debentures.

#### (d) Retained earnings

	31 March 2020	31 March 2019
Opening balance	7,904.19	9,325.06
Profit/(loss) for the year	195.92	36.13
Other comprehensive income	-	-
Final dividend	(1,087.74)	(1,208.61)
Tax on final dividend	(223.59)	(248.43)
Less: Transfers to general reserve	-	(0.00)
Closing balance	<u>6,788.78</u>	<u>7,904.15</u>

Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

<b>Total other equity</b>	<u><b>8,566.15</b></u>	<u><b>9,681.52</b></u>
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## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### **15 Borrowings**

	31 March 2020	31 March 2019
<b>Non-current Borrowings</b>		
<b>Unsecured loans</b>		
<b>Restructuring Debenture Deposit:</b>		
Loan converted to Zero Rate Debenture pending allotment (refer note A below)	297.82	313.07
<b>Total non-current borrowings</b>	<b>297.82</b>	<b>313.07</b>
<b>Current Borrowings</b>		
<b>Secured loans repayable on demand</b>		
- Overdraft from Canara Bank (refer note B below)	-	0.79
Other Loans and advances from the Government of India (refer note C below)	6,589.00	6,589.00
<b>Total current borrowings</b>	<b>6,589.00</b>	<b>6,589.79</b>

#### **A. Loan converted to Zero Rate Debenture pending allotment:**

Consequent to Capital Restructuring Schemes sanctioned by Board for Industrial and Financial Reconstruction (BIFR) earlier in respect of Braithwaite & Co. Ltd. ('BCL'), Burn Standard Co. Ltd. ('BSCL'), Bharat Brakes & Valves Ltd. ('BBVL') and RBL Ltd. ('RBL') and pursuant to approval of the Government of India for financial restructuring allowing conversion of loans & interest into equity share capital & Zero Rated Debentures in respect of BSCL, BCL and BBJ and pending completion of formalities, Zero Rated Debentures are pending for allotment due to non-receipt of terms governing the issue.

#### **Terms of repayment**

Company would repay the Zero Rate Debenture (ZRD) amounting to Rs. 12.15 crore in equal yearly installment of Rs. 50 lakhs starting from 2007-08.

#### **B. Overdraft from Canara Bank:**

##### **Details of Security given for loan**

Overdraft from Canara Bank is primarily secured by hypothecation of stock and book debts and collaterally secured by hypothecation of Fixed assets including Ship, Plant and Machinery, Furniture and Fixtures and Vehicles and Equitable mortgage of the Company's Flat at 22, Lee Road, Kolkata - 700020.

##### **Details of Interest Rates on Short Term Borrowings**

The overdraft having interest rate varying between 11.10% p.a. - 11.25% p.a. is repayable on demand.

#### **C. Loans and advances from the Government of India:**

In line with prudent accounting principles and pursuant to consistent practice, interest on account of Government of India loans released to certain subsidiaries through the Company presently under winding up has not been accounted for since corresponding realisation of interest from such subsidiaries by the Company is uncertain.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****16 Provisions**

	31 March 2020	31 March 2019
<b>Non-Current</b>		
Provision for employee benefits		
- Gratuity	62.18	55.44
- Leave Encashment	464.92	373.06
	<b>527.10</b>	<b>428.50</b>
<b>Current</b>		
Provision for employee benefits		
- Gratuity	-	-
- Leave Encashment	33.71	50.58
- Provision for L.T.A	-	-
	<b>33.71</b>	<b>50.58</b>

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 34.

**17 Other liabilities**

	31 March 2020	31 March 2019
<b>Non-current</b>		
Deferred Government Grant	184.28	216.80
	<b>184.28</b>	<b>216.80</b>
<b>Current</b>		
Statutory Dues	216.21	57.70
Deferred Government Grant	32.52	34.75
Advance from customers	1,147.83	2,293.07
	<b>1,396.55</b>	<b>2,385.51</b>

**18 Trade payables**

	31 March 2020	31 March 2019
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 35)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,113.62	7,597.46
	<b>9,113.62</b>	<b>7,597.46</b>

**19 Other financial liabilities**

	31 March 2020	31 March 2019
Employee Benefits Payable	130.79	58.71
Interest accrued & due on borrowing	34,016.12	34,016.12
<b>Restructuring Debenture Deposit:</b>	-	-
Current Maturities on Loan convertible to zero rate Debenture	50.00	50.00
Trade and Security Deposits	489.08	480.81
	<b>34,685.99</b>	<b>34,605.64</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****20 Revenue from operations**

	31 March 2020	31 March 2019
Income from Construction Contracts	9,710.22	10,283.15
	<b>9,710.22</b>	<b>10,283.15</b>
Other Operating income:		
Project Management Consultancy	882.84	-
Sale of Scrap	47.17	217.62
	<b>10,640.23</b>	<b>10,500.77</b>

**21 Other income**

	31 March 2020	31 March 2019
Apportioned Income from Government Grant	34.75	36.27
Interest income	-	-
- on bank and Security Deposits	681.79	993.24
- on bonds	3.62	3.43
Other Non-operating income	1.09	40.45
(Includes foreign exchange fluctuation gain of Rs.0.02 lakhs(Previous year - Rs. 0.11 lakhs))	-	-
Prior Period Adjustment (net)	-	341.84
Profit on sale Property, Plant & Equipment (Net)	0.36	0.94
Reversal of allowance for doubtful receivables	-	-
Encashment of B.G / Forfeiture of S.D. & E.M.D.	-	48.60
	<b>721.61</b>	<b>1,464.77</b>

**22 Cost of materials consumed**

	31 March 2020	31 March 2019
Opening Stock of Raw Materials and Consumables	622.68	403.55
Add : Purchases during the year	3,508.72	2,046.07
	4,131.40	2,449.62
Less : Closing Stock of Raw Materials and Consumables	836.27	622.68
	3,295.13	1,826.94
Add : Other expenses during the year	78.63	36.44
	<b>3,373.76</b>	<b>1,863.38</b>

**23 Changes in inventories and Work in progress**

	31 March 2020	31 March 2019
Work in progress		
Inventories at the beginning of the year	2,275.27	2,277.10
Less : Inventories at the end of the year	4,537.22	2,275.27
(Increase) / Decrease in Inventories	<b>(2,261.94)</b>	<b>1.82</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****24 Employee benefits expense**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Salaries, wages and bonus	1,752.48	1,793.71
Contribution to provident and other funds	204.11	230.71
Staff welfare expenses	40.37	65.38
	<b>1,996.97</b>	<b>2,089.80</b>

- a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 34.

**25 Finance costs**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Finance charges on financial liabilities measured at amortised cost		
Debentures	34.75	36.27
	-	-
Other borrowing costs	-	-
Bank interest and commissions	26.16	29.20
	-	-
	<b>60.91</b>	<b>65.47</b>

**26 Depreciation and Amortisation expense**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Depreciation of tangible assets	117.78	132.45
Amortization of intangible assets	5.10	3.49
	<b>122.88</b>	<b>135.93</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)****27 Other expenses**

	31 March 2020	31 March 2019
Advertisement	18.41	30.75
Allowance for doubtful debts	-	0.04
Allowance for doubtful receivables	131.21	233.93
Bank Charges	0.93	0.73
Car Hire Charges	50.98	52.33
Consumption of Stores, Spares & Loose Tools	106.86	53.17
Corporate Social Responsibility Expenses	12.36	50.00
Encashment of B.G/Forfiture of EMD, SD	-	-
Fabricated Steelwork expenses	877.80	405.17
Freight & forwarding	8.30	47.16
Insurance	8.31	3.36
Labour Cess	40.87	54.39
Legal/Consultancy & Professional Charges	952.61	136.14
Miscellaneous Expenses	69.51	116.98
Payment to Auditors	2.22	3.21
Postage, Telephone & Fax	6.10	5.15
Printing and stationery	7.33	6.40
Prior Period Adjustment (net)	7.53	-
Plant & Crane Hire Charge	2.46	1.17
Power & Fuel	43.19	89.73
Rates and taxes	7.44	4.92
Rent	88.65	40.99
Repair & Maintenance :	-	-
- Buildings	0.72	0.02
- Plant & Machinery	0.29	0.62
- Others	7.39	3.12
Site Establishment expenses	1.36	0.73
Sub Contract & other conversion charges	5,333.89	6,243.60
Subscription & Donation	4.03	7.10
Testing Charges	9.95	3.09
Travelling Expenses	40.65	55.29
	<b>7,841.37</b>	<b>7,649.26</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 28 Tax expenses

	31 March 2020	31 March 2019
<b>Current income tax:</b>		
Current income tax charge	93.21	141.41
MAT credit entitlement	-	-
<b>Deferred tax:</b>		
Relating to originating and reversal of temporary differences	(61.25)	(17.65)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>31.96</b>	<b>123.75</b>

#### Deferred tax related to items considered in OCI during the year

	31 March 2020	31 March 2019
Items that will not be reclassified to profit or loss	-	-
Items that will be reclassified to profit or loss	-	-
<b>Income tax charge to OCI</b>	<b>-</b>	<b>-</b>

#### Reconciliation of tax expense with the accounting profit multiplied by domestic tax rate:

	31 March 2020	31 March 2019
Accounting profit before income tax	227.89	159.89
Tax on accounting profit at statutory income tax rate 27.82% (March 31, 2019: 27.82%)	63.40	44.48
Adjustments in respect of items taken to opening equity allowed for tax purposes (1/5th of the total)		
Adjustments in respect of deferred tax at lower rates (26%)	(61.25)	(17.65)
Others		
Total at the effective tax rate of 0.94% (March 31, 2019: 17%)	2.15	26.82
<b>Tax expense reported in the statement of profit and loss</b>	<b>31.96</b>	<b>123.75</b>

Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

### 29 Contingent liabilities and commitments

	Particulars	As at 31-Mar-20	As at 31-Mar-19
i)	Contingent liabilities:		
	-Bank guarantees	-	525.39
	- Disputed Sales Tax demand	132.93	132.73
	- Disputed Income Tax demand	408.83	499.37
	- Disputed Service Tax demand	154.45	154.45
	- Disputed PF demand under appeal	54.14	54.14
	- Disputed Sales Tax demand for WB	-	63.66
	- Disputed Goods and Service Tax demand (TRAN 1 Interest)	12.55	12.55

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

\*The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required. Further details of court cases is provided in note 41.

### 30 Related party disclosures

- a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name	
Shri Sundar Banerjee	Chairman & Managing Director
Shri R. K. Mitra	Director (Finance)
Shri Arnab Chatterjee	Director (Technical) from 24th April 2019
Shri S K Singh	Official Director
Smt. Bela Banerjee	Part time Official Director upto 02nd June'2019
Shri Tapas Kumar Chatterjee	Part time Official Director upto 02nd June'2019

- b) Details of all transactions with related parties during the year:

	Particulars	31-Mar-20	31-Mar-19
i)	<b>Remuneration of Managing/Whole-time Directors: -</b>		
	Salaries and Allowances as Director	89.40	50.19
	Contribution to provident fund as Director	6.94	4.71
	(Salaries and allowances include leave encashment payment)		
ii)	<b>Sitting Fees to non-official part time Directors</b>	0.00	2.00

- c) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 31 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

The Company is primarily engaged in the business of construction including fabrication, which as per Indian Accounting Standard - 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

### 32 Auditors' remuneration include:

Particulars	31-Mar-20	31-Mar-19
Statutory audit fee	0.80	0.80
Tax audit fee	0.30	0.30
Others	1.25	0.40
<b>Total</b>	<b>2.35</b>	<b>1.50</b>

### 33 Disclosure as per Ind AS 19 'Employee benefits'

#### a) Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 20,00,000.

Provision for liability towards Gratuity Provision is not made on the basis of Actuarial Valuation.

The Company has taken Group Gratuity Policy from LIC of India and the resultant liability as determined by LIC has been remitted by the Company every year.

Gratuity expenditure of the Company for the financial year 2019-20 amounts to Rs.69.41 lakhs (previous year Rs.87.32 lakhs) of the above, liability determined by LIC (the Fund Administrator) amounts to Rs. 61.85 lakhs (previous year Rs. 55.44 lakhs). Provision for Gratuity also includes an old Gratuity Liability of 0.33 Lakhs (previous year 0.33 Lakhs).

#### b) Leave

The Company provides for earned leave benefit (including compensated absences) to the employees of the Company which accrue annually at 30 days. Earned leave (EL) is en-cashable while in service. However, total number of leave that can be encashed on superannuation shall be restricted to 300 days. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of Rs. 498.63 lakhs (31 March 2019: Rs. 423.63 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet:

Reconciliation of opening and closing balances of the present value of the obligation:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	31-Mar-20	31-Mar-19
<b>Opening balance</b>	<b>423.63</b>	<b>288.70</b>
Current service cost	40.91	27.29
Past service cost	34.42	81.04
Interest cost	25.02	18.77
Benefits paid	(83.01)	(72.13)
Actuarial gain	57.65	79.97
Acquisition Adjustment	-	-
<b>Closing balance</b>	<b>498.62</b>	<b>423.63</b>
Present value of projected benefit obligation at the end of the year	483.03	423.63
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised in the balance sheet</b>	<b>483.03</b>	<b>423.63</b>
Current provision	74.99	50.58
Non current provision	423.64	373.05

Expenses recognised in statement of profit and loss	31-Mar-20	31-Mar-19
Service cost	75.33	108.33
Interest cost	25.02	18.77
Re-measurement gains/ (losses)		
Actuarial gain / (loss) due to demographic assumption changes	-	-
Actuarial gain / (loss) due to financial assumption changes	57.66	7.83
Actuarial gain / (loss) due to experience adjustments	92.06	72.13
Return on plan assets greater (less) than discount rate	-	-
<b>Total cost</b>	<b>250.07</b>	<b>207.07</b>

Assumptions	31-Mar-20	31-Mar-19
Discount rate (per annum)	6.55%	7.43%
Future salary increases	7.00%	7.00%

A quantitative sensitivity analysis for significant assumption and its impact in percentage terms on projected benefit obligation are as follows:

	31-Mar-20	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on projected benefit obligation	-4.02%	4.33%
Impact of decrease in 50 bps on projected benefit obligation	4.27%	-4.01%

	31-Mar-19	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on projected benefit obligation	-3.78%	4.04%
Impact of decrease in 50 bps on projected benefit obligation	4.06%	-3.80%

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 34 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

	Particulars	31-Mar-20	31-Mar-19
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil
b)	the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

### 35 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-20	31-Mar-19
Profit for the year attributable to equity share holders	1,95,92,266.44	36,13,260.54
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	12,08,605.00	12,08,605.00
Weighted average number of equity shares outstanding during the year – diluted	12,08,605.00	12,08,605.00
<b>Earnings per share</b>		
Earnings per share of par value ₹1000 – basic (₹)	16.21	2.99
Earnings per share of par value ₹1000 – diluted (₹)	16.21	2.99

### 36 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

#### A. Market Risk

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

##### Interest rate sensitivity

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

	Increase/decrease in interest rate
<b>March 31, 2020</b>	
INR	+1%
INR	-1%
<b>March 31, 2019</b>	
INR	+1%
INR	-1%



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and other financial assets.

The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit loss	31-Mar-20
Opening balance	1,573.74
Credit loss provided	131.21
Credit loss reversed	-
Closing balance	1,704.95

### c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying Amount	Less than 12 months	After 12 Month	Total
<b>Year ended March 31, 2020</b>				
Borrowings	6,589.00		6,589.00	6,589.00
Trade payables	9,113.62	9,113.62		9,113.62
Other Financial Liabilities	34,685.99	180.79	34,505.20	34,685.99
<b>Year ended March 31, 2019</b>				
Borrowings	6,589.79	-	6,589.79	6,589.79
Trade payables	7,597.46	7,597.46	-	7,597.46
Other Financial Liabilities	34,605.64	108.71	34,496.93	34,605.64

### 37 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

The capital structure as of March 31, 2020, March 31, 2019 was as follows:

<b>Particulars</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Total equity attributable to the equity shareholders of the Company	20,652.16	21,767.57
As a percentage of total capital	74.86%	75.79%
Long term borrowings including current maturities	347.82	363.07
Short term borrowings	6,589.00	6,589.79
Total borrowings	6,936.82	6,952.87
As a percentage of total capital	25.14%	24.21%
Total capital (equity and borrowings)	27,588.98	28,720.43

### **38 Disclosure pursuant to IndAS 115 "Revenue from Contracts with Customers"**

- A** Effective 1 April, 2018, the company adopted Ind AS 115 "Revenue from contracts with customer" and recognition from construction and service activities is based on "over time" method and the company uses the output method to measure progress of delivery using the Percentage Completion method, which is in line with the policy used by the company earlier. There is no significant transaction impact on the financials of the company.

<b>B</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Revenue from operations	10,593.06	10,283.15
Other Revenue	47.17	217.62
<b>TOTAL</b>	<b>10,640.23</b>	<b>10,500.77</b>

### **39 Corporate Social Responsibility Expenses (CSR)**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

<b>Particulars</b>	<b>31st March 2020</b>	<b>31st March 2019</b>
A. Amount required to be spent during the year	-	-
B. Shortfall amount of previous year	-	24.60
<b>C. Total(A+B)</b>	<b>-</b>	<b>24.60</b>
D. Amount spent during the year on:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	12.36	50.00
<b>Total</b>	<b>12.36</b>	<b>50.00</b>
Shortfall amount	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

**a) Amount spent during the year ended 31 March 2020:**

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	12.36	-	12.36

**b) Amount spent during the year ended 31 March 2019:**

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	50.00	-	50.00

**c) Break-up of the CSR expenses under major heads is as under:**

Particulars	31st March 2020	31st March 2019
1. Swachh Bharat Kosh	-	40.00
2. Clean Ganga Fund	-	10.00
3. Skill Development Training	3.00	-
4. Education	5.38	-
5. Health	3.98	-
6. Armed Forces Flag Day Fund	-	-
<b>Total</b>	<b>12.36</b>	<b>50.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### 40. Details of Court Cases

Status of the pending Legal Cases concerning BBJ/BBUNL as on 31.03.2020:

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and existence. Effectiveness of a monitoring Mechanism	Pending before
1.	Service Matter Case No. VIII/241 /2001 Between BBJ – Vs. – Tarun Ghosal	2001	<ul style="list-style-type: none"> <li>One Shri Tarun Ghosal was appointed as temporary employee in the post of "Gantry Operator" from 08.07.1996. By a notice dated 06.05.2000 of BBJ, the service of Shri Tarun Ghosal was terminated. Against the said termination the present case was filed by Shri Tarun Ghosal under Industrial Disputes Act. By an Order dated 28.01.2009 the First Industrial Tribunal, W.B. had granted an interim relief in favour of Shri Tarun Ghosal. The matter is still pending for Arguments. BBJ is contesting the matter by filing Written Statement, adducing witnesses and by filing investigation report of Private Detective Agency.</li> </ul>	Service matter	Pending	The matter is fixed for hearing.	The Learned First Industrial Tribunal, West Bengal
2.	Writ Petition W. P. 19046 (W) of 2008 / CAN 3017 of 2009 / CAN 6958 of 2011 Between – BBJ (erstwhile BBUNL) – Vs. – AAIFR & Others.	2008	<ul style="list-style-type: none"> <li><b>Facts in brief:</b> Writ Petition filed challenging the Orders passed by AAIFR on 28.02.2008 dismissing the Appeals preferred by the Company against BIFR's Orders dated on 31.08.2005; 06.10.2005 &amp; 28.04.2006;</li> <li>[AAIFR, in line with BIFR, permitted reduction of equity shares of JCL from Rs. 10 to Re 1 caused to infusion of capital by issue of equity shares on 'Rights' basis which was exempting a 'Rights' issue from compliance of SEBI formalities; and declaring that JCL is outside the purview of SIC (Spl Prov) Act, 1985].</li> </ul>	Writ Petition against Order of AAIFR, dated 28.02.2018	Pending	The matter is yet to be listed before the Hon'ble High Court at Calcutta (Appellate Side) for hearing.	The Hon'ble High Court at Calcutta (Appellate Side).
3.	Money Suit Title Suit T. S. No 3827 of 2016/ T. S. No. 0001653 of 2016 Between – BBJ (erstwhile BBUNL) – Versus – Jessop & Co. Ltd.	2009	<ul style="list-style-type: none"> <li><b>Facts in brief:</b> For recovery of service charges from Sept'01 to Aug'03 of to Rs.82,71,520 wrongly refunded by the Company in 2005 along with interest, costs, etc.</li> <li><b>Dealing Solicitors:</b> Sandersons &amp; Morgans.</li> </ul>	Rs.82,71,520/-	Pending	Matter is pending for hearing / argument.	The Learned Court of First Civil Judge (Senior Division), at Alipore, 24 PGs (S).
4.	Writ Petition W. P. 4224 (W) of 2010 Between – Indo-Wagon Engg. Ltd. & Anr. VS. (1) Union of India (2) BBJ (erstwhile BBUNL) (3) Stock Holding Corpn. of India Ltd	2010	<ul style="list-style-type: none"> <li><b>Facts in brief:</b> As per SHA entered by BBUNL (now BBJ) with the Petitioners, was required to pledge the 72% shares transferred for 3 years from the date of transfer which are deposited within the custody of Stock Holding Corpn. of India Ltd. in 'Demat' form, but upon expiry of 3 yrs, BBUNL (now BBJ) did not issue the 'pledge closure confirmation' form in respect of the pledged shares.</li> </ul>	Writ Petition	Pending	The matter is yet to be listed before the Hon'ble High Court at Calcutta (Appellate Side)	The Hon'ble High Court at Calcutta (Appellate Side).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and existence. Effectiveness of a monitoring Mechanism	Pending before
5.	Arbitration Appeal AP No. – 738 of 2010 Between – BBJ – Versus – Civitech	2010	<ul style="list-style-type: none"> <li>Facts in brief : Petition under Section 34 of the Arbitration &amp; Conciliation Act, 1996 challenging the Award passed against M/s.BBJ was filed before the Hon'ble High Court at Calcutta during December 2010. The Case is pending since then.</li> </ul>	Rs.17 Lakhs + interest	Pending	The matter is yet to be listed for final hearing by the Hon'ble High Court at Calcutta	The Hon'ble High Court at Calcutta (Original Side).
6.	Arbitration Appeal AA No. – 1 of 2010 (Kunwari 1st Bridge Contract matter) Between–N.C. Railway – Versus – BBJ	2010	<ul style="list-style-type: none"> <li>Facts in brief :A zero liability Award was passed in favour of M/s.BBJ. North Central Railways challenged the said Award u/s.34 of the Arbitration &amp; Conciliation Act, 1996 before the Learned Gwalior District Court. No copy was served upon M/s.BBJ, hence none was engaged.</li> <li>The said Court however rejected Claims of North Central Railways and passed Order dated 09.11.2009.</li> <li>Being aggrieved, North Central Railways challenged the said Order of the Learned District Court before the Gwalior Bench of the Hon'ble MP High Court. Incomplete Copy was served upon M/s.BBJ and M/s.BBJ joined the proceeding as respondent. BBJ is yet to file Objection to the Appeal.</li> </ul>	Zero liability	Pending	The matter is pending for final hearing before the Division Bench of Hon'ble High Court of M.P. (Gwalior Bench).	The Hon'ble High Court of M.P. (Gwalior Bench)
7.	Appeal Matter APO 45 of 2015 / G.A. 932 of 2013 / APOT 61 of 2013 / W.P. 1509 of 2003 Between – Titagarh Wagons Ltd. &ors VS. (1)Union of India (2)Jessop & Co. Ltd. (3)BBJ (erstwhile BBUNL) (4)A. F. Ferguson & Co. (5) Indo-Wagon Engg. Ltd.	2013	<ul style="list-style-type: none"> <li>Facts in brief : Appeal preferred before a Division Bench against Order dated 19.12.2012 of a single Judge of the High Court in W/P No.1509 of 2003 (and several other General Applications arising there from)</li> <li>Petitioners were not aware that Jessop &amp; Co. Ltd. would receive the proceeds of sale of 5.5 acres of land to Metro Railway, Kolkata amounting to Rs. 14 crore though Respondent no. 5 was at all material times aware of this.</li> <li>The reserve price was fixed after bids were opened.</li> </ul>	Appeal matter	Pending	The matter is yet to be listed before the Hon'ble High Court at Calcutta for hearing.	The Hon'ble High Court at Calcutta, Civil Appellate Jurisdiction, Original Side
8.	Appeal Matter SLP(Civil) No. 33210 of 2013 Now it appears as Civil Appeal No. 7430/ 2019	2013	<ul style="list-style-type: none"> <li>Facts in brief :BSCL is having 8.8646 acres of freehold land at Jabalpur (MP). On approval of the Hon'ble BIFR Bench as well as Govt. of India, BSCL made an effort to sell the land through MSTC in the year 2002. M/s. Samadaria Builders was highest bidder. During the process Railways intended to take the land and therefore, cancelled EMD etc. However, due to delay in process, Railways also conveyed to BBUNL that they were not interested to take the land. Subsequently in May, 2005 BSCL issued fresh NIT</li> </ul>	Special Leave Petition (SLP) (regarding selling of Land of BSCL at Jabalpur, M.P.)	Pending	The matter is yet to take up for hearing.	The Hon'ble Supreme Court of India.

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(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and effectiveness of a monitoring Mechanism	Pending before
	Between – Burn Standard Co. Ltd.-vs- (1) M/s. Samadariya Builders (2) Union of India (3) BBJ (erstwhile BBUNL)		<p>for sale of said land, M/s. Samadariya filed a writ Petition in the High Court at Jabalpur challenging the Notice. On 26.06.2013, Hon'ble High Court of Madhya Pradesh at Jabalpur disposed of said writ Petition with a direction that if an offer of double the amount which was earlier offered by M/s Samadariya Builders, BSCL shall finalise the matter and execute necessary deed etc after receiving the consideration.</p> <ul style="list-style-type: none"> <li>● BSCL being aggrieved the said order dated 26.6.2013 filed SLP (Civil) No. 33210 of 2013 with prayer for interim relief before the Supreme Court of India. In the instant appeal UOI (service through Secretary, GOI, Ministry of HI &amp; PEs, DHI) and BBUNL are respondents No. 2 &amp; 3.</li> <li>● As advised by DHI, the Company is keeping the record &amp; status of the case till the name of Ministry of Railways is impleaded in the case or order is passed by the Court for deleting the name of DHI from the list of respondents.</li> </ul>				
9.	Electricity Matter Electricity Certificate Case No. 01/13-14  Between BSEB – Versus – BBJ	2013	<ul style="list-style-type: none"> <li>● Bihar State Electricity Board (BSEB) now called as the Bihar State Power (Holding) Company Ltd. (BSPCL) illegally demanded Rs.58.23 Lakhs from BBJ against supply electricity at Ganaga Bridge Project Site.</li> <li>● BSEB filed this Electric Certificate Case No. 1 of 2013-14 for recovery of Rs.58.23 Lakhs from BBJ.</li> <li>● BBJ was compelled to file a Writ Petition before the Hon'ble Patna High Court against the said coercive action of BSEB.</li> <li>● By Order dated 22.10.2013, the Hon'ble Patna High Court had specifically directed BSEB (now BSPCL) to consider BBJ's Letter dated 31.05.2011 in the light of Clause 13 of the Agreement on merit without any insistence for payment of the bill and till the matter is finally disposed BSEB (now BSPCL) has been restrained for making any coercive action against BBJ.</li> <li>● After lapses of 6 years, South Bihar Power Distribution Co. Ltd. issued a Letter No. 46, Dated 15.01.2019 to BBJ dismissing the claims of BBJ. By reply Letter dated 28.01.2019 BBJ again requested BSPCL to act as per the direction given in the Order dated 22.10.2013 of the Hon'ble Patna High Court.</li> <li>● BSPCL again agitated Electric Certificate Case No. 1 of 2013-14 and the Auction Officer, Munger issued a 'Notice of Query for reason regarding issue of Arrest Warrant' dated 30.01.2019 against BBJ with a direction to appear before him on 13.02.2019.</li> <li>● BBJ is now contesting the said matter before the Learned Court of District Auction Certificate Officer, Munger.</li> </ul>	Rs.58.23 Lakhs	Pending	<p>The matter is pending for hearing before the Learned Court of District Auction Certificate Officer, Munger</p>	<p>The Learned Court of District Auction Certificate Officer, Munger.</p>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and effectiveness of a monitoring Mechanism	Pending before
10.	Service Matter W.P. 14592(W) of 2014 Between – Smt. Saroj Agarwal VS. (1) Union of India (2) BBJ (erstwhile BBUNL) and others.	2014	<ul style="list-style-type: none"> <li><b>Facts in brief :</b> The Petitioner – Smt. Saroj Agarwal was terminated by the Management vide letter dated 30th April, 2014 and settled her all dues as per terms of employment.</li> </ul>	Writ Petition (Service Matter)	Pending	The matter is yet to be listed before the Hon'ble High Court at Calcutta (Appellate Side) for hearing.	The Hon'ble High Court at Calcutta (Appellate Side).
11.	Appeal Matter DRAT Application No. 105,106,107, 108 and 109 of 2014 Between – OMDC –vs- UCO Bank & Ors [Here Union of India and BBJ (erstwhile BBUNL) are Respondents.]	2014	<ul style="list-style-type: none"> <li>Facts in brief : UCO Bank had obtained a decree from DRT on 04.11.2003 for Rs.1,92,12,957.92 from BP MEL (in Liquidation) and Rs.2,16,13,312.35 from UOI jointly, severally and personally totalling Rs.4,08,26,270/- with interest @ 19.5% on the "aforesaid certified amounts" from 08.05.1991 till realisation which was assigned by UCO Bank to TPG Equity Management P.Ltd.</li> <li>Orissa Mineral Development Co. Ltd. (OMDC), the subsidiary of Bird &amp; Co. earlier maintained the operations of three mines in Orissa State and when BP MEL was incorporated on 14.10.1980 as Govt. Company, Govt. Of India issued the notification to vest the mines under administrative control of BP MEL. Since OMDC maintained its operation BP MEL had given a Power of Attorney (POA) to OMDC for its all activities.</li> <li>Now by virtue of this POA rights being a secured creditor TPG has obtained orders for possession of these three mines from Recovery Officer and thereafter from Presiding Officer, DRT.</li> <li>Being aggrieved OMDC filed above applications before DRAT for reviewing/ cancelling all earlier orders passed by P.O/DRAT-I and cancelling of assignment of UCO Bank to TPG etc, where UOI and BBUNL are Respondents.</li> <li>DHI advised its Counsel to defend the case properly and also advised CMD, BBUNL to effectively defend both in the court matters pending before the Hon'ble DRAT. Accordingly, the Company appeared &amp; contested the matter as Proforma Respondent along with UOI</li> </ul>	Appeal Matter (regarding dues of UCO Bank against BP MEL (under Liquidation))	Pending	The matter is pending for hearing before the Learned Debt Recovery Appellate Tribunal.	The Learned Debt Recovery Appellate Tribunal.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and effectiveness of a monitoring Mechanism	Pending before
12.	Arbitration Appeal A.P.No. 9 of 2016 G.A No:120 of 2016 Between – Indo Wagon Engg. Co Ltd. –vs- BBJ (erstwhile BBUNL)	2016	<ul style="list-style-type: none"> <li>Facts in brief :An Arbitration proceedings were held between the Company and Indo Wagon Engg. Ltd (IWEL) for the disputes relating to equity shares of Jessop &amp; Co.Ltd. ("Jessop") and others.</li> <li>The Sole Arbitrator passed the Award on 11.09.2015 in favour of the Claimant (the Company) against the respondent (IWEL). Further award is passed of interest payable by the respondent to the claimant at the rate of 18% per annum from the date of the award till actual recovery in case the respondent fails to pay the said amounts mentioned in prayers (c) and (g) in the statement of claim within three months from the date of the Award..... Total value of Award is 41.02 crores (approx).</li> <li>Being aggrieved IWEL filed this Arbitration Petition before the Hon'ble High Court on 05.01.2016 for setting aside the said Award dt: 11.09.2015.</li> </ul>	Rs.41.02 Crores + interest	Pending	The matter is yet to be listed before the Hon'ble High Court at Calcutta (Original Side) for further hearing.	The Hon'ble High Court at Calcutta (Original Side).
13.	Employees Provident Fund Matter Appeal No. EPF – 09 of 2016 (Old No. 299 (15) of 2016) Between – BBJ (erstwhile BBUNL) –vs- Asstt. Provident Fund Commissioner, R.O, Kolkata.	2016	<ul style="list-style-type: none"> <li>Facts in brief : APFC, R.O, Kolkata has made a damage claim under Section 14(B) and 7(O) of the Employees' Provident Fund &amp; Misc. Provisions Act, 1952 for totalling 96,09,773/- After several hearing the APFC, R.O, Kolkata again directed vide order dated 15.02.2016 to deposit Rs.66,43,791/- towards above damage u/s 14(B) of the said Act.</li> <li>The said order has been challenged by the Company before the Employees' Provident Fund Appellate Tribunal, New Delhi.</li> <li>The Tribunal ordered for deposition of 50% of the assessed amount. Further on application by the Company, The Ld. Presiding Officer vide order dated 22.09.2016 directed to deposit Rs.16,76,335.00. The Company has deposited the said amount with the APFC, R.O Kolkata on 01.10.2016.</li> <li>In the meantime as per the Notification dated 26.05.2017 the Central Govt. has abolished EPFAT, New Delhi and Bangalore and cases pending in the said Tribunal shall now transferred to the Central Govt Industrial Tribunal cum Labour Court (CGIT) in concerned State. Considering the dissolving of EPFAT, the case has been transferred to CGIT, Kolkata for further proceedings.</li> <li>A Notice was issued by CGIT for hearing on 05.10.2018. The Company had appeared and filed Vakalatnama before CGIT.</li> </ul>	Rs.66,43,791/-	Pending	The matter is pending for hearing before the CGIT, Kolkata.	The Central Industrial Tribunal cum Labour Court (CGIT), Kolkata.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and effectiveness of a monitoring Mechanism	Pending before
14.	Arbitration Appeal Arb. Appeal No.2 of 2019 (Jogighopa Bridge Contract matter) Between – N.F. Railway – Versus – BBJ	2016	<ul style="list-style-type: none"> <li><b>Facts in brief :</b> The matter is related to Jogighopa Bridge constructed at Assam. In compliance with the Award passed by Tribunal in favour of M/s.BBJ, although part payment was made by North Frontiers Railways and the other part remained due awaiting for reconciliation at the behest of NF Railways with not disputes. NF Railways, concurrently challenged the Award before the Learned District Court at Gwahati. On 23.07.2014, the Learned District Court, Kamrup, Gwahati dismissed the claims of NF Railway. After delay of 351 days NF Railway filed the present Arbitration Appeal before the Hon'ble Gauhati High Court.</li> </ul>	Zero liability	Pending	The matter is pending for hearing before the Hon'ble Gauhati High Court	The Hon'ble Gauhati High Court
15.	Civil Appeal PP Appeal No. 6 of 2017 (Victoria House matter) between – BBJ – Versus – KoPT (now Syama Prasad Mookerjee Port)	2017	<ul style="list-style-type: none"> <li><b>Facts in brief :</b> This matter is relating to a claim by KoPT under the provision of Section 7(3) of the Public Premises (Eviction of Unauthorised Occupants) Act 1971, against BBJ regarding payment of damages amounting to Rs.10,57,872/- for unauthorised occupation from 01.04.1988 to 31.03.1989 at 'Victoria Works'. The claim of KoPT was challenged by BBJ before the Estate Officer on different grounds. By an impugned Order dated 08.03.2017 the Learned Estate Officer of KoPT upheld the claims of KoPT. Being aggrieved by the said Order dated 08.03.2017, BBJ filed this Appeal before the Learned District Judge at Alipore.</li> </ul>	Rs.10,57,872/- + interest (Total Claim of KoPT is about 50 Lakhs)	Pending	The matter pending for hearing. The Learned 3rd Addl. District Judge by an Order dated 22.06.2017 stayed the impugned payment Order of the Estate Officer of KoPT.	The Learned Court of 3rd Addl. District Judge at Alipore
16.	Revision Petition C.O. No. 1157 of 2018 Between – Union of India –vs- UCO Bank &Ors. Respondents: 1. UCO Bank 2.TPG Equity Management &Pvt. Ltd. 3. BPMEL (in Liquidation) 4.BBJ (erstwhile BBUNL)	2018	<ul style="list-style-type: none"> <li><b>Facts in brief :</b> Earlier Uol filed Appeal vide Case No. 118 of 2012 and TPG Equity Management Pvt Ltd filed cross Appeal vide No.138 of 2012 against the Order dated 23.02.2012 of the Ld. Presiding Officer, Debts Recovery Tribunal-I, Kolkata in Appeal No. 2 of 2011 filed by the Company against order dated 23.03.2011 of the Recovery Officer.</li> <li>Ld. Presiding Officer vide Order dated 23.02.2012 set aside the order of attachment of the shares of BPMEL. However, in the said order he advised Union of India to consider transfer of the shares of BPMEL to TPG Equity Management Pvt. Ltd., in discharge of their liability or by any other way.</li> <li>The matter was last taken up on 12.02.2018 for continuing the matter for hearing. After submission of Govt. Counsel for considering for hearing the matter. The Tribunal did not consider the matter and inclined for further hearing the matter due to past lapses on the part of Appellant and Govt. Counsel and dismissed the re-restoration application.</li> </ul>	Revision Petition	Pending	The matter is pending for hearing before the Hon'ble High Court at Calcutta (Appellate Side)	The Hon'ble High Court at Calcutta (Appellate Side)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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Sl. No.	Type of Case	Year of Commencement	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and effectiveness of a monitoring Mechanism	Pending before
17.	Execution Case High Court, Calcutta E.C No. 458 of 2018 Between – BBJ (erstwhile BBUNL) –vs- Indo Wagon Engg. Co. Ltd.	2018	<ul style="list-style-type: none"> <li>Being aggrieved, Union of India has filed this Revision Petition before the Hon'ble High Court, Calcutta on 10.5.2018. Matter was listed before the Hon'le Justice Sabyasachi Bhattacharyya on 15.05.2018 for motion. In this matter BBJ is a Proforma Respondent.</li> <li><b>Facts in brief :</b> An Arbitration proceedings were held between the Company and Indo Wagon Engg. Ltd (IWEL) for the disputes relating to equity shares of Jessop &amp; Co. Ltd. ("Jessop") and others.</li> <li>The Sole Arbitrator passed the Award on 11.09.2015 in favour of the Claimant (the Company) against the respondent (IWEL). Further award is passed of interest payable by the respondent to the claimant at the rate of 18% per annum from the date of the award till actual recovery in case the respondent fails to pay the said amounts mentioned in prayers (c) and (g) in the statement of claim within three months from the date of the Award..... Total value of Award is 41.02 crores (approx).</li> <li>Being aggrieved IWEL filed an Arbitration Petition before the Hon'ble High Court on 05.01.2016 for setting aside the said Award dtd: 11.09.2015.</li> <li>As suggested by Sandersons &amp; Morgans – in support of recent judgement of the Hon'ble Supreme Court of India, the Company filed this Execution Application on 19.09.2018.</li> </ul>	Rs.41.02 Crores + interest	Pending	The matter is pending for hearing before The Hon'ble High Court at Calcutta (Original Side).	The Hon'ble High Court at Calcutta (Original Side).
18.	Arbitration Appeal Arbitration Case No. 21 of 2018 (Chambal 2nd Bridge Contract matter) Between – N.C. Railway – Versus – BBJ	2018	<ul style="list-style-type: none"> <li><b>Facts in brief :</b> AA zero liability Arbitration Award dated 07.04.2015 was passed in favour of M/s.BBJ. North Central Railways challenged the said Award u/s.34 of the Arbitration &amp; Conciliation Act, 1996 (Arbitration Case No. - 21 of 2018) before the Learned Court of the District Court, Allahabad, U.P.</li> <li>BBJ received the summons on 16.07.2018 and now contesting the said Arbitration Appeal before the Learned Court of the District Court, Allahabad, U.P.</li> </ul>	Zero liability	Pending	The matter pending for hearing before the Learned Court of the District & Session Judge, Allahabad, U.P.	The Learned Court of the District & Session Judge, Allahabad, U.P.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and Effectiveness of a monitoring Mechanism	Pending before
19.	Arbitration Proceeding (Ref. previous Request Case No. 175 of 2018) (Mughalsarai Project matter)  Between – BBJ – Versus – East Central Railway	2018	<ul style="list-style-type: none"> <li>The dispute regarding BBJ's legitimate claim of about Rs 40.77 Crore (+ 18% Interest) against East Central Railway for their illegal termination from contract was first referred before the Hon'ble Patna High Court.</li> <li>The Hon'ble Patna High Court had intervened into the matter and restrained East Central Railway refraining them from encashing the PBG or any other security submitted by BBJ upto the time when East Central Railway constitute the arbitral tribunal. The Arbitral Tribunal which is going to be initiated very soon after appointment of Arbitrator(s) as per GCC.</li> <li>By Notice Dated 11.07.2018, BBJ demanded Arbitration from East Central Railway. But they fail to reply till date.</li> <li>BBJ filed an Application under Section 11(6) of the Arbitration and Reconciliation Act for immediate appointment of an independent person as an Arbitrator to adjudicate the dispute properly &amp; impartially.</li> <li>In the said matter, by an Order dated 03.05.2019, Hon'ble Chief Justice Amreshwar Pratap Sahi of Patna High Court was pleased to appoint the present Sole Arbitrator – Hon'ble Mr. Justice Dhamidhar Jha (Retired).</li> </ul>	Rs.40,77,31,094.00 + 18% Interest	Pending	The matter is pending for hearing before the Sole Arbitrator – Hon'ble Mr. Justice Dhamidhar Jha (Retired).	The Sole Arbitrator – Hon'ble Mr. Justice Dhamidhar Jha (Retired).
20.	Service Matter W.P. No. 18933(W) of 2018 Between BBJ – Vs. – State of West Bengal & Others.	2018	<ul style="list-style-type: none"> <li>The instant Writ Petition is being filed before the Hon'ble High Court at Calcutta challenging the Order No.230 dated 20.04.2018 passed by the Learned First Industrial Tribunal, West Bengal in Tarun Ghosal's matter (Case No. VIII/241/2001).</li> <li>In the said Order dated 20.04.2018, the Learned Tribunal had dismissed the application of BBJ to 're-cross examine' Shri Tarun Ghoshal on specific questions whether he is gainfully employed even after the completion of evidence as the same will be determinative of as to whether he is entitled to receive any interim relief.</li> <li>In support of BBJ's claim about Shri Tarun Ghosal's gainful employment from 2000 to 2017, BBJ has submitted the secret investigation reports of Private Detective Agency before the Learned Tribunal.</li> <li>Being aggrieved by the Order dated 20.04.2018 of the Learned Tribunal; BBJ has filed the instant Writ Petition before the Hon'ble Calcutta High Court seeking for proper justice.</li> </ul>	Service matter	Pending	The matter is pending for hearing before the Hon'ble High Court at Calcutta.	The Hon'ble High Court at Calcutta (Appellate Side).

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(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and Effectiveness of a monitoring Mechanism	Pending before
21.	Arbitration Appeal Proceeding [Bihar Agricultural University (BAU) Project matter] Misc Case No. 26 of 2019 M i s c C a s e (Arbitration) No. 0000026 of 2019 Between – B B J ( e r s t w h i l e B B U N L ) – Vs. – M/s Dutsan G Engineers Pvt Ltd – Versus – BBJ	2019	<ul style="list-style-type: none"> <li>● <b>Facts in brief :</b> BBJ issued LOI dated 25.03.2010 &amp; separate Work Orders on M/s Dutsan G Engrs. Pvt Ltd (Dutsan) for construction of 4 buildings under BAU viz. Admn. Bldg (Block I &amp; II), Admn. Bldg (Block-III), Lecture Theatre &amp; Diary Plant Building. The contractual date for handing over of the entire Project was 12 months.</li> <li>● Due to inordinate delay, slow progress and even stoppage of work on the part of Dutsan, BAU has deducted LD towards extension of time and refrained from making any payment against earlier RA bills unless Dutsan takes up the work and submit RA bills. Under this background, Dutsan invoked Arbitration under Notice dated 14.12.2015. As per provisions of contract, BBJ engaged Shri Indrajit Sengupta as sole arbitrator. First sitting was held on 29.03.2016.</li> <li>● After long proceedings since March 2016 the Ld. Sole Arbitrator has passed an Award dated 18.02.2019. In the said Award some of the claim of the Claimant (Dutsan) was erroneously allowed by Sole Arbitrator which are against the company and the total cost involved Rs.91.73 Lakhs.</li> <li>● Being aggrieved by the said Arbitral Award dated 18.02.2019, BBJ filed this appeal under Section 34 of the Arbitration &amp; Conciliation Act 1996 before the District Court at Alipore on 15.05.2019.</li> </ul>	Rs.91.73 Lakhs	Pending	The matter is pending for hearing before the 3rd Addl. District Judge, Alipore, District South 24 Parganas.	The Learned 3rd Additional District Judge at Alipore, District – South 24 Parganas.
22.	Writ Matter Civil Writ Jurisdiction Case – CWJC No. 17069 of 2019 pending before the Hon'ble High Court at Patna, Bihar Between BBJ – Versus – BSPHCL	2019	<ul style="list-style-type: none"> <li>● <b>Facts in brief :</b> In reference to above Electricity Certificate Case No. 01/13-14 pending before the Learned Court of District Auction Certificate Officer, Munger, BBJ has filed the present Writ Petition before the Hon'ble Patna High Court against the Bihar State Power Holding Company Ltd. (BSPHCL).</li> </ul>	Writ Matter	Pending	The matter is pending for admission hearing before the Hon'ble High Court at Patna, Bihar.	The Hon'ble High Court at Patna, Bihar.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Sl. No.	Type of Case	Year of Comment	PARTICULARS	Amount Involved (in Rs.)	Present Status of the Case	Reasons of pendency and effectiveness of a monitoring Mechanism	Pending before
23.	Arbitration Petition (Ref. : A.P. No. 188 of 2019) Arising out of A.P.No.330 of 2018) (Sealdah, Howrah, Asansol and Malda Division Project  Between – BBJ – Versus – Eastern Railway & other	2019	<ul style="list-style-type: none"> <li>● <b>Facts in brief :</b> Arbitration proceeding against Eastern Railway is pending since 2012.</li> <li>● In spite of passage of seven years from the constitution of Arbitral Tribunal is over, only one arbitral sitting has so far been held on 31.07.2014 and no further development has taken place in the arbitration proceeding.</li> <li>● That there is a huge admitted claim of BBJ about Rs.1.20 Crore against E.Railway and also other claims which are required to be adjudicated in Arbitration.</li> <li>● In spite of receiving a number of letters from BBJ, the GM, E.Railway and the Arbitral Tribunal have deliberately failed and neglected to take necessary steps for adjudicating the Arbitral dispute raised by BBJ and pass necessary award therein.</li> <li>● Hence, A.P.No.330 of 2018 was filed before the Hon'ble High Court at Calcutta to appoint an Arbitral Tribunal to enter into reference and adjudicate the long pending dispute arising between BBJ and E. Railway.</li> <li>● On 28.06.2018 the Hon'ble High Court at Calcutta allowing the prayers of BBJ directed the Arbitral Tribunal to conclude the Arbitral proceeding within February, 2019. But unfortunately the Arbitral Tribunal neglected the said Order and failed to conclude the Arbitration proceeding within February, 2019.</li> <li>● Finding no other way, the Company filed the present Arbitration Petition against Eastern Railway &amp; their G.M. for disobeying the said Order dated 28.06.2018.</li> </ul>	Rs.4,92,55,482/- + interest	Pending	The matter is pending for hearing before the Hon'ble High Court at Calcutta (Original Side).	The Hon'ble High Court at Calcutta (Original Side).
24.	Special Leave Petition (Arbitration Appeal Matter) SLP@ No. 008221 - / 2020 (Ref. - A.P. No. 69 of 2019) (Manoharpur – Bondamunda Arbitration matter)  Between – BBJ – Versus – South Eastern Railway	2019	<ul style="list-style-type: none"> <li>● The dispute regarding BBJ's legitimate claim of about Rs.7.34 Crore against S.E.Railway was referred for Arbitration which is going to be initiated very soon after appointment of Arbitrator(s) as per GCC.</li> <li>● As the GCC being prior to the Amendment Act, 2015 does not contain the appointment of neutral Arbitrator(s).</li> <li>● In spite of receiving number of letters for formation of Arbitral Tribunal, S.E.Railway have deliberately failed and neglected to take necessary steps for appointment of its nominee arbitrator.</li> <li>● Under Section 12(5) of the A&amp;C Act, 1996 as amended in 2015 and various judgments delivered by the Hon'ble High Courts &amp; the Hon'ble Supreme Court the present matter was filed for immediate appointment of an independent person as an Arbitrator to adjudicate the dispute properly &amp; impartially.</li> </ul>	Rs.7,34,57,560/- + interest	Pending	The matter is pending for hearing before the Hon'ble Supreme Court of India.	The Hon'ble Supreme Court of India.

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Date – 31.03.2020

### NUMBER OF LEGAL CASES OF BBJ PENDING BEFORE DIFFERENT COURTS (AS ON 31.03.2020)

Sl. No.	Name of the Court	Number of Legal Cases pending
1.	SUPREME COURT OF INDIA	2
2.	HIGH COURTS	13
3.	LOWER COURTS&OTHER COURTS	8
4.	ARBITRATION	1



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

- 41 During the year 2005-06, Jessop & Co. Ltd applied to Board for Industrial and Financial Reconstruction (BIFR) for de-rating (reducing) the nominal value of its equity shares from Rs. 10 to Re. 1. BIFR vide directions issued on 31.08.2005 permitted Jessop & Co. Ltd. to proceed with reduction of their equity share capital in terms of the provisions under Sections 100, 101, 102 & 103 of the Companies Act, 1956.

The Company preferred an appeal under Section 25 of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the aforesaid direction of BIFR. The Company also filed applications impleading itself in two other appeals preferred before AAIFR against the aforesaid direction of BIFR. While one of the appeals was earlier withdrawn, AAIFR vide Order dated 28.02.2008 dismissed the appeal preferred by the Company as well as the other appeal.

The Company has filed a writ petition in the Hon'ble High Court at Calcutta challenging AAIFR's Order, which is pending disposal as on date. The Company has also referred the disputes to arbitration as provided in the "Shareholders Agreement" entered into by it with Indo-Wagon Engineering Ltd. (strategic partner in Jessop) on 29.08.2003. The resultant accounting effect will be considered in the books of account after final adjudication complying with the Accounting Standards and Government directives.

- 42 Consequent to clearance of GOI vide letter No. 17(12)/2000-PE.III dated 26.08.2003 and in terms of the "Share Purchase Agreement" executed by and amongst the Company, Jessop & Co. Ltd. (Jessop) and Indo-Wagon Engineering Ltd., the Company sold/transferred 6,81,34,428 equity shares of Jessop (i.e. 72%) for a consideration of Rs. 1818.00 lakhs to Indo-Wagon Engineering Ltd. on 29.08.2003. The entire sale proceeds of Rs. 1818.00 lakhs as realised had been transferred to Government of India pending compliances under the prevailing laws.

- 43 Trade Receivable – non-current assets of Rs.38.98 lakh (Previous year - Rs.38.98 lakh) represents amount due from Bharat Heavy Electrical Ltd (BHEL) for Lakwa Project – work, which was closed in 2009-10 before completion and Other current financial assets includes Retention Deposit Rs. 42.29 Lakh (Previous year - 42.29 Lakh) and Security Deposit Rs.37.49 Lakh (Previous year - 37.49 Lakh) relating to above work. Since a corresponding aggregate amount of Rs.126.46 lakh (Previous year - 126.46 Lakh) is lying in the books as payable to BHEL, the Company has not considered any allowance for doubtful debts on the security deposit and retention money receivable from BHEL.

- 44 During financial year 2008-09, the Company had entered into a consortium arrangement under the name and style of "BCD INGAB Consortium" for construction of Neighbourhood Unit at Bikele township in the Republic of Gabon. The value of services to be rendered by the Company (as per agreement with the consortium partner) was aggregated and limited to Rs. 2.75 crores, excluding actual expenses incurred on various heads such as on bank guarantee charges, travelling, establishment expenses, etc. As part of its defined roles & responsibilities, the Company has provided a performance bank guarantee of US\$ 725,000 (5% of project order value) in favour of Government of Gabon against Mobilisation Advance of an equivalent amount released to the Consortium. The Company has received margin money for such guarantee (validity period since expired) from the Consortium.

The progress in execution of the project not being satisfactory, the Company decided to seek an honourable exit therefrom, which is being pursued.

However, in terms of extant agreement, the Company is not liable to compensate the Consortium partner in the event of any loss and/or deficit arising out of the project. No claim has been received by the Company from any quarter so far nor has any dispute been raised requiring arbitration.

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)**

- 45 The physical verification of Inventories of Raw materials, stores etc. have been carried out at the end of the year. The discrepancies between physical and book stock, not being significant, have been properly dealt with in the Books of Accounts.
- 46 Non-current investment includes 5% Non-Redeemable registered Debenture Stock in East India Clinic Ltd of Rs. 0.16 lakhs (Previous year - Rs. 0.16 lakhs) from which company is not generating any income.
- 47 In the financial year 2005-06, an amount of Rs. 82.72 lakhs was refunded to Jessop & Co. Ltd. on account of 'Service Charges' recovered in respect of the period October 2001 to August 2003. The Company has filed a suit for recovery of the amount together with interest and cost, which is pending disposal as on date.
- 48 The company has not accounted for the interest accrued on loans of Rs. 6,588.99 lakhs granted to Bharat Process and Mechanical Engineers Ltd. ('BPMEL') a subsidiary and Weighbird India Ltd. ('WIL') a second layer subsidiary ('subsidiaries') of the company in view of non-recoverability thereof as the aforesaid subsidiaries of the company are under liquidation and on loans of Rs.207.25 lakhs to Bharat Wagon and Engineering Company Limited ('BWEL') the erstwhile subsidiary of the company.

Also, the company has not provided for the interest payable on the loans of Rs.6589 lakhs taken from the Government of India, which was used for granting the loans to the aforesaid subsidiary companies of the Company. Had the interest payable on such loans been provided for the finance cost for the current financial year would have been higher by Rs. 2160.61 lakhs (Previous Year Rs.2158.30 lakhs) and the amounts payable to the Government of India would have been higher by Rs.50290.73 lakhs (Previous Year 48130.12 lakhs). Accordingly, the profit for the current financial year would have been lower by Rs.2160.61 lakhs (Previous year Rs. 2158.30 lakhs).

- 49 There is an uncontested Income-tax demand of Rs.19.33 lakhs as per the official portal of the Income-tax Department for which the company does not have appropriate documents or evidences for rebuttal. However, the company is of the opinion that no amounts are outstanding to be paid, which have not been contested and the amounts as displayed in the Income-tax portal may be erroneous. The Company will take effort in getting the same rectified. Accordingly, no liability has been provided for.
- 50 Inventories as at the year end as per note no.8 under Notes forming part of Financial Statements includes old and unused stocks amounting to Rs 62.47 lakhs under Raw Material, Rs 2.78 lakhs under Stores Spares parts & Components which are lying for more than 7 years and Rs 8.18 lakhs under Loose Tools which are lying for more than 9 years. No provision against the same has been made in the accounts during the year and the Company is of the opinion that no such provision is required as of now.
- 51 Other advances under Other Financial Assets as per Note 6 of Notes Forming Part of Financial Statements includes Rs.55.38 Lakh pertaining to "The Braithwaite Burn and Jessop Construction Company Limited" towards Sundry Expenses recoverable which are lying since 01/04/2011 and the company is in the process of identifying and reconciling the same. Pending such reconciliation, the Company is of the opinion that no provision is required in the books of accounts as of now.
- 52 Balances of some of the trade receivables, trade payables, lenders, loans and advances etc. incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material discrepancies in this regard.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

- 53 The company has not received confirmations from respective banks in respect of the Bank Balances of following closed sites, some of which are extremely old and the relevant details are not available. Such balances are subject to confirmation from respective Banks. The details of such balances are as follows:

Name of Sites	Bank Balance (Rs.in lakhs)
1. Bonam Site	0.09
2. Baitarani Site	0.10
3. Farraka Site	0.03
4. Kahalgoan Site	0.01
5. Kanhan Site	0.14
6. Rihand Site.	0.02
7. Ullash Site	0.07
8. Bonda Munda Site	0.31
9. Mughalsarai Site	0.10
10. Agartala (Tripura) Site	0.07
<b>Total</b>	<b>0.95</b>

- i) The above Sites include the amount of Rs 0.85 lakhs representing balances of closed sites (previous year Rs. 0.47 lakh)
  - ii) Cash balance include Rs. 0.70 lakh (previous year Rs. 0.01 lakh) representing balance with closed site, pertaining to earlier years, for which no confirmation is available.
- 54 The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the company were impacted, due to shut down of construction sites and offices following nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from the authorities.

The Company has evaluated the impact of this pandemic on its business operations. Liquidity, assets and financial position and based on management review of current indicators and economic conditions there is no material impact and adjustment required on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at date of approval of these financial results. The company will continue to monitor any material changes to future economic conditions and its impacts, if any.

### 55 Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

- i) Fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

### Fair Value hierarchy

The following tables provide the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- i) Quoted prices in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.
- ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
- iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### (a) Financial Assets and Liabilities

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment in equity instruments	-	3,086.81	-	-	3,086.81	-
Investments in debentures or bonds	-	71.43	-	-	67.80	-
<b>Total Financial Assets</b>	-	<b>3,158.24</b>	-	-	<b>3,154.61</b>	-
<b>Financial Liabilities</b>						
Loan converted to Zero Rate Debenture pending allotment	-	297.82	-	-	313.07	-
<b>Total Financial Liabilities</b>	-	<b>297.82</b>	-	-	<b>313.07</b>	-

During the year ended 31st March, 2020 and 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under Level 3.

- 56 With regard to disclosure under IND AS 116 which become effective w.e.f. 01/04/2019, there are no operating lease which exist during the Year and hence no disclosure is required in this respect.





कर्नाटक में लोंडा मिराज परियोजना के लिए स्टील ब्रिज का निर्माण कार्य  
Construction work of steel bridge for Londa Miraj Project at Karnataka



हैलाकांडी, असम में 2019-20 के लिए सीएसआर गतिविधियाँ  
CSR activities for 2019-20 at Hailakandi, Assam

