

# **CEIGALL INDIA LIMITED**

Regd. Office: A-898 Tagore Nagar Ludhiana 141001 PB

CIN: U45201PB2002PTC025257

Email Id: indiaceigall@gmail.com

Contact No: - 01614623666

## **Notice of Annual General Meeting**

**Notice** is hereby given that the 18<sup>th</sup> Annual General Meeting of the Company **Ceigall India Limited** will be held on Monday, the 17<sup>th</sup> Day of August, 2020 at 10:00 AM at the registered office of the company at A-898, Tagore Nagar, Ludhiana - 141001 Punjab:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2020 and the statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Paramjit Kaur Sehgal (DIN: 01614580) who retire by rotation and being eligible offers herself for re-appointment.

By Order of the Board

Sd/-

(Ramneek Sehgal)

Managing Director

DIN: 01614465

Address: House No. G-9, South City,  
Ludhiana 141001 PB

Place: Ludhiana

Date: 14<sup>th</sup> August, 2020

## NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item No(s) 1 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED TO BE A MEMBER OF THE COMPANY.**

The instrument(s) appointing the proxy, if any, shall be deposited at the Registered Office of the Company at A-898, Tagore Nagar, Ludhiana - 141001 Punjab not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid.

3. The copy of relevant documents can be inspected at the registered office of the company on any working day between 11:00 A.M. To 01:00 P.M.
4. Members having any queries relating to the Annual Report are requested to send their queries at least seven days before the date of the meeting.
5. Members are requested to notify change in address, if any, to the company at its registered Office quoting their folio number.
6. Only members carrying the attendance slips or the holders of valid proxies registered with the company will be permitted to attend the meeting. Members attending the meeting are requested to bring their copy of annual report with them to the Annual General Meeting, as extra copies will not be supplied.

By Order of the Board

Sd/-

(Ramneek Sehgal)  
Managing Director  
DIN: 01614465  
Address: House No. G-9, South City,  
Ludhiana 141001 PB

Place: Ludhiana  
Date: 14<sup>th</sup> August, 2020

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## **BOARD REPORT**

*(pursuant to section 134 read with rule 8 of the Companies (Accounts), Rules, 2014  
under the Companies Act, 2013)*

To,

**The Members,**

**CEIGALL INDIA LIMITED**

**A-898 Tagore Nagar Ludhiana 141001 PB**

The Directors of your Company have pleasure to present their 19<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021.

### **1. FINANCIAL HIGHLIGHTS**

The Company prepared its financial statements in accordance with the requirements of the Companies Act, 2013. The summarized financial results for the Financial Years 2020-21 & 2019-20 are as under:

(Figures in Rupees)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Year ended 31<sup>st</sup> March, 2020</b>
Revenue from operations	872,61,10,717	791,87,30,556
Other Income	10,79,73,304	6,44,22,982
Total Income	<b>883,40,84,021</b>	<b>798,31,53,538</b>
Total Expenses	<b>733,13,11,896</b>	<b>678,95,09,787</b>
Profit/Loss before tax	150,27,72,125	119,36,43,751
Less: Tax Expense		
Current Tax	39,25,00,000	30,85,00,000
Deferred Tax	(76,56,228)	(73,24,589)
Tax related to Earlier Years	(35,29,820)	(8,05,458)
Profit/Loss after Tax	<b>112,14,58,173</b>	<b>89,32,73,798</b>
Paid Up Share Capital	98,21,000	98,21,000
Value Per share	10/-	10/-
Earnings per Equity Share-	1141.90	1342.21
- Basic & Diluted		

## **2. STATE OF COMPANY'S AFFAIRS, ITS OPERATIONS AND FUTURE OUTLOOK**

During the financial year under review, the company's revenue from operations has been increased to Rs. 872,61,10,717 as compared to the previous year revenue from operations of Rs. 791,87,30,556. On the other hand, expenditure has also increased from Rs. 678,95,09,787 to Rs 733,13,11,896 during the current financial year.

Due to increase in income, the Company profit went up to Rs. 112,14,58,173 as compared to previous year profits of Rs 89,32,73,798 However, it is expected that your company will be able to achieve better results during the current year of operation.

## **3. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **4. CHANGE IN NATURE OF BUSINESS, IF ANY**

No change occurred in the nature of the business carried on by the company during the financial year under review. The company is engaged in the business of construction of Infrastructure Projects.

## **5. DIVIDEND**

Considering the future business plans of the Company, the Board of Directors does not recommend declaration of any dividend.

## **6. AMOUNTS TRANSFERRED TO ANY RESERVES**

Company has not transferred any amount to any reserves during the year.

## **7. CHANGES IN SHARE CAPITAL**

There has been no change in any share capital of the Company due to issue of shares or otherwise during the financial year 2020-21.

## **8. WEB LINK OF ANNUAL RETURN, IF ANY.**

The Company does not have any website.

## **9. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return, in format MGT -9, for the Financial Year 2020-21 has been enclosed as **Annexure A** with this report.

#### 10. NUMBER OF BOARD MEETINGS

During the year under review, **Thirty Four** Board Meetings were convened and held. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013. The detail of the Board meetings held during the year under review is as follows:

Sr. No	Date of Board Meeting
1.	25-04-2020
2.	27-04-2020
3.	02-05-2020
4.	27-05-2020
5.	29-05-2020
6.	03-06-2020
7.	17-06-2020
8.	27-06-2020
9.	29-06-2020
10	04-07-2020
11	25-07-2020
12	29-07-2020
13	14-08-2020
14	22-08-2020
15	19-09-2020
16	09-10-2020
17	12-10-2020

Sr. No	Date of Board Meeting
18	13-10-2020
19	14-10-2020
20	17-10-2020
21	26-10-2020
22	10-11-2020
23	12-11-2020
24	25-11-2020
25	19-12-2020
26	21-12-2020
27	29-12-2020
28	13-01-2021
29	16-01-2021
30	01-02-2021
31	01-03-2021
32	08-03-2021
33	16-03-2021
34	30-03-2021

Further the Company has convened the Corporate Social Responsibility Committee meeting on 30<sup>th</sup> March, 2021.

#### 11. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not given any loans or guarantees or makes any investment under Section 186 of the Companies Act, 2013.

## **12 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All the related party transactions entered by the Company during the financial year were in ordinary course of business and on an arm's length basis. The detail of these transactions is provided in Note No 36 of standalone financial statement.

## **13 AUDIT COMMITTEE**

During the financial year under review, the Company has not constituted Audit Committee due to non-availability of required number of Independent Directors. However after the closure of financial year but before signing of this report, the Company has constituted an Audit Committee of the Board of Directors, the members of which are Mr. Arun Goyal, Mr. Vishal Anand and Mr. Ramneek Sehgal.

The committee is empowered to look into all the matters related to finance and accounting as per section 177 of the Companies Act, 2013. All the recommendations made by the Audit Committee were accepted by the Board.

## **14 NOMINATION AND REMUNERATION POLICY**

During the financial year under review, the Company has not constituted Nomination and Remuneration Committee due to non-availability of required number of Independent Directors. However after the closure of financial year but before signing of this report, the Company has constituted Nomination and Remuneration Committee having Mr. Arun Goyal, Mr. Vishal Anand and Mrs. Gurpreet Kaur as its members.

The Board of the directors has constituted Nomination and Remuneration Committee who has framed a policy in relation to the remuneration of Directors, Key Managerial Personnel and Senior Management of the Company and the criteria for their selection and appointment.

The Nomination and Remuneration Policy of the Company in compliance with Section 178 of the Companies Act, 2013. The Policy has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee of the Company.

The Nomination and Remuneration Policy is enclosed as ***Annexure B***.

## **15 STATUTORY AUDITORS**

At the Annual General Meeting held on 30<sup>th</sup> September, 2019, **M/s B.D. Bansal & CO. (FRN: 000621N)** were appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) years till the conclusion of AGM of the Company to be held in the year 2024.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2021. The Auditors' Report does not contain any qualification. Auditor remarks in their report are self-explanatory and do not call for any further comments.

## **COST AUDITORS**

During the financial year under review, the Company has not appointed Cost Auditors for FY 2020-21 & FY 2021-22 as per provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost records and Audit) Rules, 2014.

## **SECRETARIAL AUDITORS**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company appointed **M/s Divyam Parbhakar & Associates (M No. A52667)** to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as "**Annexure C**". The Secretarial Auditor has marked qualification in its Audit report for the financial year ended 31st March, 2021. The explanation of the Board of Directors in respect of Auditor remarks is given hereunder:-

<b>SECRETARIAL AUDITOR'S REMARK</b>	<b>SUBMISSIONS BY THE MANAGEMENT</b>
Where as in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of directors) Rules, 2014, the Company was required to appoint Two Independent Directors on the board of the Company, the Company have appointed only one director.	As per the Secretarial Audit Report for the FY 2020-21, The Company have appointed only Mr. Arun Goyal as Independent director of the Company but the Company was required to appoint two Independent Director on the Board of Company in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of directors) Rules. To make the default good, the Company have appointed Mrs. Gurpreet Kaur and Mr. Vishal Anand as independent directors of the Company w.e.f. October 26, 2021. Therefore, the Company met with the requirement of two independent Directors on the Board of Company.
Whereas in terms of the provisions of the Section 177(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Company was required to constitute an Audit Committee of the Board, the Company could not comply with the same.	As per the Secretarial Audit Report for the FY 2020-21, The Public Company having turnover of one hundred crore rupees or more shall constitute Audit Committee under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Turnover of the Company for the F.Y. 2020-21 exceeds one hundred crore rupees but the Company failed to constitute Audit Committee. To constitute Audit Committee, there must be minimum 3 Directors and at least 2/3rd of Directors shall be Independent. As on 31 March, 2021, Mr. Arun Goyal was the only Independent Director in

	<p>the Company. The Company made appointment of Mrs. Gurpreet Kaur and Mr. Vishal Anand as Independent Directors of the Company, in its Board Meeting held on October 26, 2021. The Company in order to make the default good, immediately after the appointment of Independent Directors, in the same Board Meeting held on October 26, 2021, constituted Audit Committee which consist of –</p> <ol style="list-style-type: none"> <li>1. Mr. Arun Goyal, Independent Director (Chairman);</li> <li>2. Mr. Vishal Anand, Independent Director (Member);</li> <li>3. Mr. Ramneek Sehgal, Managing Director (Member)</li> </ol>
<p>Whereas in terms of the provisions of the Section 178(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 the Company was required to constitute a Nomination &amp; Remuneration Committee of the Board, the Company could not comply with the same.</p>	<p>As per the Secretarial Audit Report for the FY 2020-21, The Public Company having turnover of one hundred crore rupees or more shall constitute Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Turnover of the Company for the F.Y. 2020-21 exceeds one hundred crore rupees but the Company failed to constitute Nomination and Remuneration Committee. To constitute Nomination &amp; Remuneration Committee, there must be minimum 3 Non- Executive Directors and <math>\frac{1}{2}</math> of Directors shall be Independent. As on 31 March, 2021, Mr. Arun Goyal was the only Independent Director in the Company. The Company made appointment of Mrs. Gurpreet Kaur and Mr. Vishal Anand as Independent Directors of the Company, in its Board Meeting held on October 26, 2021. The Company in order to make the default good, immediately after the appointment of Independent Directors, in the same Board Meeting held on October 26, 2021, constituted Nomination and Remuneration Committee consisting of-</p> <ol style="list-style-type: none"> <li>1. Mr. Arun Goyal, Independent Director (Chairman);</li> <li>2. Mr. Vishal Anand, Independent Director (Member);</li> <li>3. Mrs. Gurpreet Kaur, Independent Director (Member)</li> </ol>



Whereas in terms of provisions of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every promoter of the Company need to get its shares dematerialized, the company could not comply with the same.	As per the Secretarial Audit Report for the F.Y. 2020-21, the shares of the Promoters of the Company are not in dematerialized form but in terms of provisions of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Every unlisted Company shall issue shares only in dematerialized form and facilitate dematerializing of all its existing securities. To make the default good, the Company has requested all its shareholders to convert their Physical shares into Dematerialized form at the earliest. Some of the shares of Promoters are dematerialized and others are in the process of dematerialisation.
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## **16 MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments in the business operations of the Company from the financial year ended 31<sup>st</sup> March, 2021 to the date of signing of the Director's Report.

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

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

### **a) Conservation of Energy:**

Steps taken for conservation	NIL
Steps taken for utilizing alternate sources of energy	NIL
Capital investment on energy conservation equipments	NIL

### **b) Technology Absorption:**

Efforts made for technology absorption	NIL
Benefits derived	NIL
Expenditure on Research & Development, if any	NIL

Details of technology imported, if any	NIL
Year of import	NA
Whether imported technology fully absorbed	NA
Areas where absorption of imported technology has not taken place, if any	NA

c) Foreign Exchange Earnings/ Outgo:

Earnings	NIL
Outgo	NIL

## **18 DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

The Company does not have any Subsidiary, Joint Venture or Associates, as per Companies Act 2013.

## **19 RISK MANAGEMENT POLICY**

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks. Company recognizes that risk is an integral and unavoidable component of business and the management is committed to administer the risk in a proactive and effective manner. The Company believes that the Risk cannot be eliminated but it can be better managed: -

- By adopting good internal controls;
- By not entering into risky businesses;
- Either avoiding the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
- By following a middle path between retaining and transferring risk.

Company adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and compliance with the regulations. The Company believes that this would ensure mitigating steps proactively and help to achieve the risk management effectively.

## **20 DIRECTORS AND KMP**

During financial year under review, following changes were occurred in Board composition:-

<b>Particulars</b>	<b>Date of Change</b>
Appointment of Mr. Arun Goyal DIN: 00009034 as Director of the Company	01/03/2021
Cessation of Ms. Paramjit Kaur Sehgal DIN: 01614580 from position of Directorship of the Company	16/03/2021

After the closure of financial year but before signing of this report, following changes were occurred in Board composition:-

<b>Particulars</b>	<b>Date of Change</b>
Appointment of Mr. Vishal Anand DIN: 02822659 as Director of the Company	26/10/2021
Appointment of Mrs. Gurpreet Kaur DIN: 09356854 as Director of the Company	26/10/2021
Appointment of Mr. Sanchit Arora as Company Secretary of the Company	15/10/2021
Appointment of Mr. Bhagat Singh as Chief Financial officer of the Company	20/10/2021

Further in accordance with the provision of Section 152 of the Companies Act, 2013, Mr. Ramneek Sehgal, Managing Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

## **21 DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

No significant & material orders were passed by the Regulators or courts or tribunal which impacts the going concern status and Company's operations in future.

## **22 DEPOSITS**

The Company has not accepted any deposits during financial year under review.

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

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaint was reported to the board.

## **24 DETAIL OF FRAUDS REPORTED BY AUDITORS**

The Company does not indulge in any type of frauds pursuant to section 143(12) of the Companies Act, 2013 as per the audit report stated by Auditors for financial year ended 31<sup>st</sup> March 2021.

## **25 STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS**

The Company has received declaration from all the independent directors regarding meeting the criteria of independence as applicable under section 149(6) of the Companies Act, 2013.

## 26 **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the new Companies Act. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavour for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long term CSR programs and initiatives.

During the financial year under review, the Company has constituted Corporate Social Responsibility committee with following members

S No.	Members
1.	Mr. Arun Goyal (Chairman)
2.	Mr. Ramneek Sehgal (Member)
3.	Mr. Mohinder Pal Singh (Member)

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company have not spent any amount towards CSR activities. In adherence to section 135 of the Companies Act, 2013, the Company has transferred unspent CSR amount of Rs. 1,55,00,000 in PM cares fund as specified under Schedule VII of act.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and form part of this report as ***Annexure D***.

## 27 **VIGIL MECHANISM**

Pursuant to Section 177 of the Companies Act, 2013 the Company has formulated vigil mechanism for directors and employees reporting for unethical behavior, fraud and mismanagement or violation of Company's code of conduct.

## 28 **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, the Directors confirm that:

- In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the Company as at 31st March, 2021 and of the profit /loss of the Company for that period;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **29 PERSONNEL**

The Board of Directors place on record their appreciation for the significant contribution made by all the employees, who through their competence, hard work, solidarity and co-operation, have enabled the Company to withstand the impact of slowdown.

## **30 TRADE RELATIONS**

The Board wishes to place on record its appreciation for the support and co-operation that the Company received from its suppliers, distributors, retailers and other associates. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavor to build and nurture strong links based on mutuality, respect and co-operation with each other and consistent with customer interest.

## **31 ACKNOWLEDGMENT**

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support

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

**CEIGALL INDIA LIMITED**

Sd/-

**(RAMNEEK SEHGAL)**  
**Managing Director**  
**DIN: - 01614465**

Sd/-

**(Mohinder Pal Singh)**  
**Chairman cum Director**  
**DIN: - 01107020**

Dated: 15.11.2021  
Place: Ludhiana



FINANCIAL YEAR 2020-2021

## CEIGALL INDIA LIMITED

### NOMINATION AND REMUNERATION POLICY

#### 1. PREAMBLE

Nomination and Remuneration Policy ("**Policy**") has been formulated by Ceigall India Limited ("**Company**") in compliance with Section 178 of the Companies Act, 2013, as amended and Regulation 19 read with Part- D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "**SEBI LODR Regulations**") as amended and applies to the following categories of Directors and employees of the Company:

Part B - Key Managerial Personnel;

Part C - Non-executive Directors / Independent Directors; and Part D - Senior Management and other employees.

The Board (defined below) adopted the Policy at its meeting held on 02<sup>nd</sup> March, 2024, which can be amended from time to time. Part A contains general provisions applicable to Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. Part B, Part C, and Part D consist of specific provisions in relation to Key Managerial Personnel, Non-executive Directors/Independent Directors, Senior Management, and other employees, respectively.

#### 2. SCOPE

The Policy aims to ensure that the persons appointed as Directors (including Independent Directors), Key Managerial Personnel, and Senior Management possess requisite qualifications, experience, expertise, and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

The Policy has been developed and implemented by the Nomination and Remuneration Committee ("**NRC**") and is applicable to Directors, Key Managerial Personnel, Senior Management, and other employees of the Company.

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#### 3. DEFINITIONS

- "**Act**" means the Companies Act, 2013, as amended read with the rules, clarifications, circulars, and orders issued thereunder from time to time including any modification or re-enactment thereof.
- "**Board**" means the Board of Directors of the Company.
- "**Independent Director**" means an Independent Director of the Company appointed in pursuance of the Act and SEBI LODR Regulations.
- "**Key Managerial Personnel**" or "**KMP**" means key managerial personnel as defined under sub-section (51) of section 2 of the Act.
- "
- "**NRC**" means Nomination & Remuneration Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the SEBI LODR Regulations.
- "**Other Employees**" means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- "**Rules**" means the rules framed under the Act.
- "**Senior Management**" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Regulation 16(1)(d) of the Listing Regulations. For the purpose of the Policy, subject to Section 178 of the Act and Regulation 16(1)(d) of the Listing Regulations, all the personnel of

the Company reporting directly to the managing director and executive directors of the Company have been designated as 'Senior Management'.

- **"Stock Options"** means the options given or to be given by the Company as per the prevalent employees' stock option scheme/plans of the Company.
- Unless the context otherwise provides, terms not defined herein and used in the Policy, shall bear the same meaning as prescribed under the Act, the Listing Regulations, or any other relevant law.
- Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO, CS, etc.), his/her terms of appointment shall be governed by both Part B (Part II) and Part D of the Policy and in the event of any conflict, the more restrictive clause shall prevail.

#### **4. COMPLIANCES**

The terms/ process of appointment/ re-appointment and remuneration of the Directors and other employees covered under the Policy shall be governed by the provisions of the Act, Rules, SEBI LODR Regulations, other applicable laws and policies and practices of the Company.

#### **5. DISCLOSURES**

Disclosure about the Policy shall be made in compliance with the applicable laws.

#### **6. REVIEW / AMENDMENT**

Based on the recommendation of the NRC, the Board may amend, abrogate, modify, or revise any or all clauses of the Policy in accordance with the Act, SEBI LODR Regulations, and/or any other applicable law or regulation. However, amendments in the Act or SEBI LODR Regulations shall be binding even if not incorporated in the Policy.

## **PART A**

### **GENERAL PROVISIONS APPLICABLE TO DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, AND OTHER EMPLOYEES OF THE COMPANY**

#### **1. GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, AND OTHER EMPLOYEES OF THE COMPANY**

The prospective Director, KMPs, Senior Management, or employee:

- I. Should be a reasonable person with integrity and ethical standards.
- II. Should meet the requirements of the Act, the SEBI LODR Regulations, and other applicable laws for the time being in force.
- III. Should have the requisite qualifications, skills, knowledge, experience, and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, corporate governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/NRC.
- IV. Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community, and for the protection of the environment.
- V. Is expected to:
  - a) Uphold ethical standards of integrity and probity.
  - b) Act objectively and constructively while exercising his/her duties.
  - c) Exercise his/her responsibilities in a bonafide manner in the interest of the Company.
  - d) Devote sufficient time and attention to informed and balanced decision-making.
  - e) Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making.
  - f) Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
  - g) Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
  - h) Assist the Company in implementing the best corporate governance practices.
  - i) Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
  - j) Have the ability to read and understand financial statements.
  - k) Protect the confidentiality of the confidential and proprietary information of the Company.
- VI. NRC has the discretion to decide whether qualification, expertise, experience, and attributes possessed by a person are sufficient/satisfactory for the concerned position.

#### **2. GENERAL POLICY OBJECTIVES IN RELATION TO REMUNERATION**

In discharging its responsibilities, the NRC shall have regard to the following policy objectives:

- i) To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- ii) To attract and retain and motivate competent individuals;
- iii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv) To plan short and long-term incentives to retain talent;
- v) To ensure that any severance benefits are justified;
- vi) To ensure that the remuneration of the Directors (including Independent Director), KMPs, Senior Management, and other Employees is based and determined on the basis of individual's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any, including that the remuneration to be paid to the Managing Director, Chief Executive Officer (if any) and/or whole-time Director shall be in accordance with the provisions of the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.
- vii) To ensure that individual remuneration packages for Directors, KMPs, Senior Management, and other Employees are



determined after taking into account relevant factors, including but not limited to:

- Qualification and experience,
- Level of engagement in the affairs of the Company,
- Market conditions,
- Financial and commercial health of the Company,
- Practice being followed in comparable companies,
- Prevailing laws and government/other guidelines.

viii) The remuneration/compensation/commission etc. to be awarded to the Directors, KMPs and Senior Management will be determined by the NRC and recommended to the Board for approval.

ix) Increments to the existing remuneration/compensation structure of other employees including the functional heads will be jointly decided by the Managing Director, Chief Executive Officer (If any), and Head- Human Resources (by whatever name called).

**PART B**  
**KEY MANAGERIAL PERSONNEL**

**PART I**  
**MANAGING DIRECTOR / WHOLE-TIME DIRECTORS (“EDs”)**

**OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience, and attributes for appointment as Executive Directors (EDs).
- The remuneration payable to the EDs is commensurate with their qualification, experience, and capabilities and considers the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, the performance of the business, and the Company.
- The remuneration payable to the EDs is comparable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size, and complexity.

**SPECIFIC QUALIFICATIONS AND ATTRIBUTES**

In addition to the qualifications and attributes specified in ‘General Qualifications and Attributes’ above, the prospective Director satisfies the criteria set out under the applicable law including the Act and the SEBI LODR Regulations for eligibility to be appointed as ED.

**PROCESS OF APPOINTMENT AND REMOVAL**

**Appointment**

- NRC shall identify suitable persons for an appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider the recommendations of NRC and approve the appointment and remuneration, subject to the approval of the shareholders of the Company.

**Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules, or under any other law, rules, and regulations, code of conduct, and/ or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company, subject to the provisions and compliance of the Act, rules, and regulations.

**COMPONENTS OF REMUNERATION/ INCREMENTS**

- Remuneration shall consist of:
  - a) Fixed remuneration including perquisites and allowances, retiral benefits (like provident fund/gratuity/superannuation/leave encashment, etc.), and other benefits as per the policy of the Company.
  - b) Commission/Variable pay to the Managing Director/Whole-Time Director(s) based on the performance of the individual, business, and the Company as a whole and/or net profit of the Company, as the case may be.
  - c) No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
  - d) Stock Options as per terms of the prevalent Stock Options Plan, if eligible.
  - e) Any other incentive as may be applicable.

The remuneration / commission / variable pay etc. to be paid to EDs will be determined by the Committee and recommended to the Board for approval and shall be subject to the approval of the Shareholders. The remuneration and commission/variable pay to be paid to the EDs shall be in accordance with the provisions of the Act, and the rules made thereunder.

- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of EDs.

## **PART II**

### **CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, AND OTHER KMPs**

#### **OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience, and attributes for appointment as Chief Financial Officer (“CFO”), Company Secretary (“CS”), and other Key Managerial Personnel (“KMPs”).
- The remuneration payable to CFO, CS, and KMPs is commensurate with his/ her qualification, experience, and capabilities and takes into account the past performance and achievements of such individuals. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size, and complexity.
- A suitable component of their remuneration is linked to his/ her performance, the performance of the business, and the Company.

#### **QUALIFICATIONS AND ATTRIBUTES**

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualifications and experience as may be relevant to the task he/ she is expected to perform. NRC/ Board has the discretion to decide whether qualification, expertise, experience, and attributes possessed by the person are sufficient/ satisfactory for the concerned position.

#### **PROCESS OF APPOINTMENT AND REMOVAL**

##### **Appointment**

- Appointment of CFO, CS, and other KMPs (including terms and remuneration) shall be approved by the Board on the recommendation of NRC.
- Where a KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.

##### **Removal**

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules, or under any other applicable law, rules, and regulations, Code of Conduct, and/ or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

#### **ELEMENTS/ COMPONENTS OF REMUNERATION**

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like provident fund/ gratuity/ superannuation/leave encashment, etc.), and other benefits as per the policy of the Company.
- Variable remuneration based on the performance of the individual, the function, and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan(s).
- Any other incentive as may be applicable.

#### **ANNUAL APPRAISAL AND INCREMENT**

Appraisal and increment of KMPs who are designated as Senior Management Employees shall be recommended by NRC for approval of the Board. For other KMPs, appraisal, and increment shall be done by the Managing Director of the Company. The following shall be taken into account for appraisal and increment:

- Individual's performance against Key Performance Indicators.

- The performance of:
  - individual;
  - business function handled by the individual; and
  - Company.
- The prevalent rate of increments given by companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

## **PART C**

### **NON-EXECUTIVE DIRECTORS/ INDEPENDENT DIRECTORS**

#### **OBJECTIVES**

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the SEBI LODR Regulations and possess appropriate qualifications, experience, and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive / Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size, and complexity.

#### **SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS**

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act and the Listing Regulations.

#### **PROCESS OF APPOINTMENT AND REMOVAL**

##### **Appointment**

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve the appointment and remuneration of Non-executive and/or Independent Directors subject to the approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

##### **Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules, and regulations, Code of Conduct and/or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.

#### **ELEMENTS/ COMPONENTS OF REMUNERATION**

- Variable remuneration - Commission - As a percentage of the net profits of the Company as approved by the Board and/ or shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Stock Options as per terms of prevalent Stock Options Plan(s) (if any). Independent Directors will not be entitled to Stock Options.

## **PART D**

### **SENIOR MANAGEMENT & OTHER EMPLOYEES**

#### **OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience, and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and Other Employees is commensurate with their qualifications, experience, and capabilities and considers their past performance and achievements. Remuneration payable to them is comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of the nature of business, size, and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to the performance of such individual employee, the performance of the business, and the Company as per the HR Policy of the Company.

#### **QUALIFICATIONS AND ATTRIBUTES**

- Should be a reasonable person with integrity and ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he/she is expected to perform.
- NRC has the discretion to decide whether qualification, expertise, experience, and attributes possessed by a person are sufficient/satisfactory for the concerned Senior Management position.
- Other Employees: Qualification, expertise, experience, and attributes will be determined by the Management as per the HR Policy of the Company.

#### **PROCESS OF APPOINTMENT AND REMOVAL**

##### **Appointment**

- NRC shall identify suitable persons for appointment in the Senior Management and recommend to the Board their appointment along with the terms of appointment and remuneration.
- The Board will consider the recommendation of NRC and approve the appointment along with the terms of appointment and remuneration.
- Appointments to positions other than Senior Management will be made as per the Company's HR policy.

##### **Removal**

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules, and regulations, Code of Conduct, and/ or Policies of the Company, the Board may remove such employee from the services of the Company, on recommendation of NRC.
- In the case of Other Employees, the Management of the Company may terminate the services of such employees as per the HR Policy of the Company.

#### **ELEMENTS/ COMPONENTS OF REMUNERATION**

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like provident fund/ gratuity/ superannuation/leave encashment, etc.), and other benefits as per the policy of the Company.
- Variable remuneration based on the performance of the individual, the function, and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan(s).
- Any other incentive as may be applicable.

### **ANNUAL APPRAISAL AND INCREMENT**

Appraisal and increment for the Senior Management shall be recommended by NRC for approval of the Board and for other employees, by the Senior Management or any other appropriate authorities after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the:
  - individual;
  - business function handled by the individual; and
  - Company.
- The prevalent rate of increments given by the companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employee category.



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

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

To,

**The Members,**

**Ceigall India Limited**

**CIN: U45201PB2002PTC025257**

**A-898, Tagore Nagar, Ludhiana, Punjab, 141001**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ceigall India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Ceigall India Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ceigall India Limited** for the financial year ended on **31<sup>st</sup> March, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there





- under:- (Not Applicable to the company during the audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:- (Not Applicable to the company during the audit period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:- (Not Applicable to the company during the audit period);
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') Viz:-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:- (Not Applicable to the company during the audit period);
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992:- (Not Applicable to the company during the audit period);
- c) The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009:- (Not Applicable to the company during the audit period);
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- (Not Applicable to the company during the audit period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- (Not Applicable to the company during the audit period);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with Client:- (Not Applicable to the company during the audit period);



- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:- (Not Applicable to the company during the audit period) and;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:- (Not Applicable to the company during the audit period);

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. Where as in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company was required to appoint Two Independent Directors on the Board of the Company, the Company have appointed only one director.
2. Whereas in terms of the provisions of Section 177(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014, the Company was required to constitute an Audit Committee of the Board, the Company could not comply with the same.
3. Whereas in terms of the provisions of Section 178(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014 the Company was required to constitute a Nomination & Remuneration Committee of the Board, the Company could not comply with the same.
4. Whereas in terms of provisions of Rule 9A of The Companies (Prospectus and Allotment of Securities) Rules, 2014, every promoter of the company needs to get its shares dematerialised, the company could not comply with the same.

**I further report that-**

The Board of Directors of the Company is not duly constituted as Two Independent Directors have not been appointed by the company. The changes in the composition

Add: #2<sup>nd</sup> Floor, Sohan Complex, Mall Road, Near Bharat Nagar Chowk, Ludhiana – 141008  
Tele: 98776-20329, 86996-30920; Email: Divyamparbhakar@gmail.com



of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report.

**For Divyam Parbhakar & Associates  
Company Secretaries**



**CS Divyam Parbhakar  
Prop.**

**M. No. A52667**

**C.P. No. 19299**

**UDIN: A052667C000944382**

**Place: Ludhiana**

**Date: 14<sup>th</sup> September, 2021**

**Annexure-1**

To,  
**The Members,**  
**Ceigall India Limited**

My report of even date is to be read along with this letter stating that:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Divyam Parbhakar & Associates**  
**Company Secretaries**



**CS Divyam Parbhakar**

**Prop.**

**M. No. A52667**

**C.P. No. 19299**



**Place: Ludhiana**  
**Date: 14<sup>th</sup> September, 2021**



**Independent Auditor's Report**

**To the Members of M/s. Ceigall India Limited**

**Report on the standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **M/s. Ceigall India Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2021, and profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The Board of Directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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





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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B D Bansal & Co  
Chartered Accountants  
Firm Regn.No.000621N

(Anil Kumar Gupta)  
Partner

M. No.089988  
UDIN: 21089988AAAAHR4315

Place: Ludhiana  
Date: 30.06.2021





## Annexure "A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years and in accordance with the programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets;
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties, as disclosed in Note 11 to the Standalone Financial Statements, are held in the name of the company, except the following:

Two properties having a gross block of Rs. 18.33 Lacs as at the year end, are still held in the erstwhile name of the company, i.e. Ceigall Builders Private Limited.

2. The inventories in the custody of the company have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable. No material discrepancies were noticed on such verification.
3. The company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clause 3(iii)(a) to (c) of the order are not applicable to the company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and securities.
5. According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed material statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods & Service Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanations given to us, there are no undisputed dues of Income Tax, Sales Tax, Value Added Tax, Wealth Tax and Custom Duty and Cess, which have not been deposited other than for:-

(INR in Lakhs)

Sr. No.	Nature of Dues	Amount Unpaid	Period to which amount relates	Forum where the dispute is pending
1	Income Tax u/s 143(3)	1.61 Lakhs	A.Y. 2012-13	A.O., Ludhiana
2	Income Tax u/s 143(3)	44.52 Lakhs	A.Y. 2018-19	A.O., Ludhiana
3	Income Tax u/s 143(1)(b)	17.03 Lakhs	A.Y. 2019-20	A.O., Ludhiana

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The company has not taken any loan from the Government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and the company has applied the Term Loan for the purpose, for which the loans were raised.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.





13. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties; subject to clause 3 & 4 above are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order in relation to section 192 of the Company's Act are not applicable to the Company and hence not commented upon.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.



For B D Bansal & Co  
Chartered Accountants  
Firm Regn.No.000621N

Anil Kumar Gupta)  
Partner

M. No.089988

UDIN: 21083988 AAAAHR4315

Place: Ludhiana

Date: 30.06.2021

## **Annexure "B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Ceigall India Limited**

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

We have audited the internal financial controls over financial reporting of **Ceigall India Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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





## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B D Bansal & Co  
Chartered Accountants  
Firm Regn. No. 000621N

(Anil Kumar Gupta)  
Partner

M. No. 089988

UDIN: 21069988 AAAAHRU315

Place: Ludhiana

Date: 30.06.2021



6  
CEIGALL INDIA LIMITED  
BALANCE SHEET AS AT MARCH 31ST, 2021  
A-898, Tagore Nagar, Ludhiana-141001  
CIN - U45201PB2002FTC025257  
(All amounts are in Rupees unless otherwise specified)

	Notes	As at 31.03.2021	As at 31.03.2020
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
a) Share capital	3	98,21,000	98,21,000
b) Reserve & Surplus	4	3,03,79,92,425	1,91,65,34,252
<b>Total Shareholders' Funds</b>		<b>3,04,78,13,425</b>	<b>1,92,63,55,252</b>
<b>Non-current Liabilities</b>			
a) Long Term Borrowings	5	4,54,24,384	6,63,33,404
b) Long term provisions	6	1,85,89,164	88,04,496
<b>Total Non-current Liabilities</b>		<b>6,41,13,548</b>	<b>7,51,37,900</b>
<b>Current Liabilities</b>			
a) Short term borrowings	7	5,02,97,845	3,77,68,417
b) Trade payables	8		
i) Total Outstanding dues of Micro & Small Enterprises		33,95,250	18,245
ii) Total Outstanding dues of creditors other than Micro & Small Enterprises		51,23,21,055	39,65,94,240
c) Other current liabilities	9	1,04,29,36,896	86,22,44,171
d) Short term provisions	10	2,97,936	94,167
<b>Total Current Liabilities</b>		<b>1,60,92,48,982</b>	<b>1,29,67,19,240</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,72,11,75,955</b>	<b>3,29,82,12,392</b>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, plant and equipment & Intangible assets	11		
Tangible Assets		67,32,03,514	48,20,63,736
Capital Work in Progress		66,00,000	-
Intangible Assets under Development		6,81,000	-
b) Non current Investment	12	1,60,95,738	1,52,73,478
c) Deferred tax assets (Net)	13	2,66,82,511	1,90,26,283
d) Long term loans and advances	14	35,00,72,494	24,99,60,732
e) Other non-current assets	15	18,83,15,528	52,75,39,753
<b>Total Non-Current Assets</b>		<b>1,26,16,50,785</b>	<b>1,29,38,63,983</b>
<b>Current Assets</b>			
a) Current Investments	16	11,46,99,459	35,52,54,602
b) Inventories	17	28,32,71,103	12,73,29,316
c) Trade receivables	18	36,75,83,436	47,47,03,985
d) Cash and Cash Equivalents	19	1,51,83,29,584	39,89,64,428
e) Short term loans and advances	20	64,03,47,474	38,82,68,090
f) Other current assets	21	53,52,94,114	25,98,27,988
<b>Total Current Assets</b>		<b>3,45,95,25,170</b>	<b>2,00,43,48,409</b>
<b>TOTAL ASSETS</b>		<b>4,72,11,75,955</b>	<b>3,29,82,12,392</b>
Company Overview	1		
Significant Accounting Policies	2		

The notes referred to above form an integral part of Financial Statements.

As per our report of even date attached  
FOR B.D. BANSAL & CO.  
CHARTERED ACCOUNTANTS  
FRN: 000621N

ANIL KUMAR GUPTA  
PARTNER  
M.NO.: 089988  
UDIN: 21089008AARANL315



PLACE: LUDHIANA  
DATE: 30.06.2021

For and on behalf of the Board of Directors of  
Ceigall India Limited

RAMNEEK SEHGAL  
Managing Director  
DIN- 01614465

M.P. SINGH  
Director  
DIN- 01107020

Gurmeet Singh  
AGM (Accounts)



CEIGALL INDIA LIMITED  
**PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2021**  
A-898, Tagore Nagar, Ludhiana-141001  
CIN - U45201PB2002PTC025257  
(All amounts are in Rupees unless otherwise specified)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>I Income</b>			
Revenue from operations			
i) Revenue from construction contracts (Including GST)		9,63,23,53,546	8,54,78,45,635
Less: GST		1,05,65,58,961	90,40,26,810
Net revenue from construction contracts (Net of GST)		8,57,57,94,585	7,64,38,18,825
ii) Other Revenue		15,03,16,132	27,49,11,731
(A) Revenue from operations (i+ii)	22	8,72,61,10,717	7,91,87,30,556
(B) Other income	23	10,79,73,304	6,44,22,982
<b>Total Income (A+B)</b>		<b>8,83,40,84,021</b>	<b>7,98,31,53,538</b>
<b>II Expenses</b>			
Cost of material consumed	24	3,41,59,02,815	3,91,88,54,641
Purchases of stock in trade (Trees)		3,30,000	58,47,608
Change in inventory - Trading goods		(3,30,000)	(28,29,571)
Employee benefits expense	25	13,87,97,312	13,92,48,512
Finance cost	26	6,53,54,108	6,09,01,685
Depreciation and amortization	27	13,51,04,978	9,61,91,075
Other expenses	28	3,57,61,52,682	2,57,12,95,836
<b>Total Expenses</b>		<b>7,33,13,11,896</b>	<b>6,78,95,09,787</b>
<b>III Profit/ (Loss) before exceptional and extraordinary items and tax</b>		<b>1,50,27,72,125</b>	<b>1,19,36,43,751</b>
Exceptional items		-	-
<b>IV Profit/ (Loss) before extraordinary items and tax</b>		<b>1,50,27,72,125</b>	<b>1,19,36,43,751</b>
Extraordinary items (Income)		-	-
Extraordinary items (Expenses)		-	-
<b>V Profit/ (Loss) before tax</b>		<b>1,50,27,72,125</b>	<b>1,19,36,43,751</b>
<b>VI Tax expense</b>	29		
Current Tax		39,25,00,000	30,85,00,000
Deferred Tax		(76,56,228)	(73,24,589)
Tax relating to Earlier Years		(35,29,820)	(8,05,458)
<b>Total Tax expense</b>		<b>38,13,13,952</b>	<b>30,03,69,954</b>
<b>VII Profit/ (Loss) for the year</b>		<b>1,12,14,58,173</b>	<b>89,32,73,798</b>
Earnings per equity share - basic and diluted (nominal value per share Rs.10/- each)	30	1,141.90	1,342.21

Significant Accounting Policies

2

The notes referred to above form an integral part of Financial Statements.

As per our report of even date attached  
FOR B.D. BANSAL & CO.  
CHARTERED ACCOUNTANTS  
FRN: 000621N

ANIL KUMAR GUPTA  
PARTNER

M.NO.: 089988

UDIN: 21089988AAAAH2U315

PLACE: LUDHIANA

DATE: 30.06.2021

For and on behalf of the Board of Directors of  
Ceigall India Limited

RAMNEEK SEHGAL  
Managing Director  
DIN- 01614465

M.P. SINGH  
Director  
DIN- 01107020

Gurmeet Singh  
AGM (Accounts)

**CEIGAIL INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**  
A-898, Tagore Nagar, Ludhiana-141001  
CIN - U45201PB2002PTC025257  
(All amounts are in Rupees unless otherwise specified)

PARTICULARS	Year ended March 31, 2021	Year ended March 31, 2020
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation and Extraordinary Items	1,50,27,72,125	1,19,36,43,751
Adjustments for:		
-Depreciation and amortisation	13,51,04,978	9,61,91,075
-Interest Expense	6,53,54,108	3,39,05,066
-Profit on sale of fixed assets	(42,64,884)	(24,22,226)
-Provision for Gratuity	1,00,88,436	62,87,484
-Interest Income	(8,99,43,572)	(2,55,27,154)
-Profit on sale of investments	(18,46,627)	(45,37,128)
-Share of Profit from JV's	(8,32,820)	(33,75,971)
-Share of Loss from JV's	10,560	-
Operating Profit before Working Capital Changes	1,61,64,42,305	1,29,41,64,897
Adjustments for Changes in Working Capital:		
(Increase)/Decrease in Inventories	(15,59,41,787)	10,55,00,216
(Increase)/Decrease in Trade Receivables	10,71,20,548	(35,14,41,067)
(Increase)/Decrease in Short Term Loans and Advances	(17,10,14,020)	(22,29,74,791)
(Increase)/Decrease in Other Current Assets	(27,54,66,126)	(14,61,37,341)
Increase/(Decrease) in Trade Payables	11,91,03,820	25,28,617
Increase/(Decrease) in Other Current Liabilities	18,42,22,545	61,24,63,496
Cash Generated from operations	1,42,44,67,287	1,29,41,04,029
Income Taxes Paid (Net)	(39,35,65,365)	(33,09,04,057)
<b>A. Net Cash flow from/(used in) Operating Activities</b>	<b>1,03,09,01,923</b>	<b>96,31,99,972</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(33,71,22,267)	(25,31,23,847)
Purchase of Investments	(8,76,61,997)	(69,74,26,562)
Sale Proceeds of Fixed Assets	78,61,400	1,66,68,173
Sale Proceeds of Investments	25,00,63,761	47,69,16,260
Increase in Other Bank Balances	(1,00,57,17,214)	(20,45,19,961)
Increase in Long Term Loan and Advances	(10,01,11,761)	(7,99,99,684)
Decrease/(increase) in Non Current Investments	33,92,24,226	(50,16,17,513)
Interest Received	8,99,43,572	2,55,27,154
<b>B. Net Cash Flow From/(used in) Investing Activities</b>	<b>(84,35,20,280)</b>	<b>(1,21,75,75,979)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/ (Repayments) from Long Term Borrowings	(2,09,09,020)	(4,45,15,253)
Proceeds/ (Repayments) of Short Term Borrowings	1,25,29,428	(61,34,808)
Proceeds from Issue of Equity Share Capital	-	36,18,000
Proceeds from Security Premium Reserve	-	37,62,72,000
Interest Paid	(6,53,54,108)	(3,39,05,066)
<b>C. Net Cash flow from/(used in) Financing Activities</b>	<b>(7,37,33,700)</b>	<b>29,53,34,873</b>
<b>Net increase/ Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>11,36,47,942</b>	<b>4,09,58,866</b>
Cash and Cash Equivalents at the beginning of the year	8,84,17,856	4,74,68,990
Cash and Cash Equivalents at the end of the year	20,20,65,798	8,84,17,856

FOR B.D. BANSAL & CO.

CHARTERED ACCOUNTANTS

FRN: 000621N

ANIL KUMAR GUPTA

PARTNER

M.NO.: 089988

UDIN: 21089988 AAAAHLBIS

PLACE: LUDHIANA

DATE: 30.06.2021



RAMNEEK SEHGAL  
Managing Director  
DIN- 01614465

M.P. SINGH  
Director  
DIN- 01107020

Gurmeet Singh  
AGM (Accounts)



## 1 Company Overview

Cegall India Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 on 08.07.2002 and has its registered office at A- 898 Tagore Nagar, Ludhiana. The name of the company at its incorporation was Cegall Builders Pvt Ltd and subsequently changed to Cegall India Limited on 09.02.2013. The company is mainly engaged in construction of Infrastructure Projects.

## 2 Significant Accounting Policies

### 2.01 Accounting Convention and Basis of preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the accounting standards specified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules 2014 to the extent applicable. The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules 2014 to the extent applicable. All 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 Schedule II to the Companies Act, 2013.

### 2.02 Property, Plant and Equipment

Property, plant & equipment are stated at cost less accumulated depreciation and impairment if any. Direct costs are capitalized until fixed assets are ready for its intended use. Capital work in progress comprises of the cost of property, plant & equipment that are not ready for the intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

### 2.03 Revenue Recognition

1. Revenue from fixed price construction contracts is recognised based on percentage completion method (PCM). The percentage of completion is determined based on the cumulative total contract cost incurred for the specific project till the year end and the estimated total contract cost of project.

2. Revenue from maintenance and other utility contracts and Royalty are recognised on accrual basis of accounting based on the agreement executed and work performed and it is not unreasonable to expect ultimate collection.

3. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate of interest.

4. Revenue generation from the sale proceeds of land / real estate is on the basis of sale deed executed in favour of customer.

5. Insurance Claim filed but not settled are accounted for on Cash Basis.

6. Revenue from sale of trees is accounted for on issuance of Bills to the parties.

### 2.04 Inventories

Inventories of raw materials, stores and spares & work-in-process are valued at cost. Stock of trees is valued at lower of cost or net realisable value. Stock once issued from the main store is taken as consumed.

### 2.05 Depreciation and Amortisation

Depreciation on assets is provided on Written Down Value method. Depreciation is provided based on useful life of the assets in the manner, method and useful life prescribed in Schedule II to the Companies Act, 2013. In respect of assets added/ disposed off during the year, depreciation is charged on a pro rata basis with reference to the date of addition/ disposal.

### 2.06 Impairment

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard 28, 'Impairment of Assets' to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying amount of property, plant & equipment exceeds its recoverable amount. The recoverable amount of an asset is lower of net selling price and its value in use.

### 2.07 Accounting for Fairness

The preparation for financial statements is in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect reportable amount of assets and liabilities on date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the year in which the results are known/materialized.



**CEGALL INDIA LIMITED**  
**A-808, Tagore Nagar, Ludhiana 141001**  
**CIN - U45201PB00027000257**  
**Notes to the Financial Statements**

**2.08 Investments**

Investments classified as long term are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is not temporary. Current investments are stated lower at cost or fair value.

**2.09 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**2.10 Accounting For Taxation**

The Provision for current income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised subject to the consideration of prudence on timing difference being the difference between taxable income and accounting income that originates in one period and are capable of being reversed in one or more subsequent periods.

**2.11 Cash Flow Statement**

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company. The Company considered all highly liquid financial instruments, which are readily convertible into cash, to be cash equivalents.

**2.12 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit/loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.13 Retirement Benefits**

Retirement benefits in the form of provident fund contribution is accounted for on accrual basis with corresponding payments to recognised scheme/fund. The company does not have any other obligation other than contribution payable to the scheme/fund.

Liability for gratuity is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Short term employee benefits are recognised as an expense at the undistributed amount in the profit & loss account for the year in which related services are rendered.

**2.14 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of its resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities arising from claims, liabilities, assessments, fines, penalties etc. are provided when it is probable that the contingency will result in the loss and responsible estimate of the amount of the resulting loss can be made. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liabilities and disclosed by way of notes to account. A contingent Asset is neither recognized in the year in which the results are known/materialized.

Current liabilities arising from claims, liabilities, assessments, fines and penalties etc. are provided when it is probable that contingency will result in loss and responsible estimate of the amount of resulting loss can be made. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liability and disclosed by way of notes to accounts. A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

**2.15 Accounting for Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis.



**CEGALL INDIA LIMITED**  
A-898, Tagore Nagar, Ludhiana 141001  
CIN - U45201PB2002PTC015257  
Notes to the Financial Statements

**2.16 Cash and cash equivalents**

The company considers all highly liquid financial instruments which are readily convertible into cash and have original maturities of three months or less from the date of purchase to be cash equivalents.

**3 Share Capital**

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Capital		
1000000 equity shares of Rs. 10 each	1,00,00,000	1,00,00,000
Issued, subscribed and paid up:		
982100 Equity Shares (Previous year 982100) of Rs. 10 each fully paid	98,21,000	98,21,000

**(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :**

Particulars	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
At the beginning of the year	9,82,100	6,20,300
Equity shares issued during the year	-	3,61,800
Outstanding at the end of the year	9,82,100	9,82,100
	Amount (Rs.)	Amount (Rs.)
	98,21,000	62,03,000
		36,18,000
		98,21,000

**(b) Details of Shareholders holding more than 5% of the Aggregate shares in the company:**

Name of Shareholder	As at March 31, 2021	As at March 31, 2020
	No. of Shares	No. of Shares
M. P. Singh	58,000	58,000
Ramnik Singh	3,85,400	3,85,400
Suman Singh	55,000	55,000
Mohinder Pal Singh & Sons HUF	4,53,500	4,53,500
	% holding	% holding
	5.60	5.60
	39.24	39.24
	5.60	5.60
	46.18	46.18

**(c) The rights attached to equity shares of the Company**

The Company has only one class of shares having a par value of Rs. 10/- each. The holder of equity shares are entitled to one vote per share.





**CEGALL INDIA LIMITED**  
A-608, Tagora Nagar, Ludhiana 141001  
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Notes to the Financial Statements

**4 Reserve & Surplus**

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium.		
Balance as per last account.	37,62,72,000	37,62,72,000
Premium received on shares issued during the year		
	37,62,72,000	
Surplus/ (Deficit) in the statement of profit & loss		
Balance as per last account.	1,91,65,34,252	64,69,86,454
Profit/ (loss) for the year as per statement of profit and loss	1,12,14,58,178	89,32,73,798
	3,03,79,92,425	1,54,02,60,252
Total	3,03,79,92,425	1,93,65,34,252

**5 Long Term Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans from Banks	24,66,91,326	25,70,69,608
Less : Current Maturities of debts (Refer Note No. 9)	20,12,67,942	19,07,96,104
	4,54,24,384	6,63,33,604

**(a) Terms of Repayment of Long Term Borrowing**

Type of Loan	Original Amount (Rs.)	Terms of Repayment & Maturities	Rate of Interest
Term Loan-ICICI Bank (Closing balance of all the loans as at 31st March 2021 is Rs. 88,692,299/-)	12,11,44,220/-	31 Term Loans from ICICI Bank repayable in monthly instalments of 18 months. The amount of instalment of all these loans ranges between Rs. 1,47,816/- to Rs. 7,09,034/-.	Rate of interest is ranging between 7.35 % to 7.80 %
Term Loan-Yes Bank (Closing balance of all the loans as at 31st March 2021 is Rs. 8,859,700/-)	5,22,95,200/-	14 Term Loans from Yes Bank taken between the period, repayable in monthly instalments of 24-37 months. The amount of instalment of all these loans ranges between Rs. 28,300/- to Rs. 4,39,545/-.	Rate of interest is ranging between 8.84 % to 9.98 %
Term Loan-ICICI Bank (Closing balance of all the loans as at 31st March 2021 is Rs. 31,037,714/-)	5,81,55,200/-	3 Term Loans from ICICI Bank repayable in monthly instalments of 36-120 months. The amount of instalment of all these loans ranges between Rs. 56,234/- to Rs. 414,467/-.	Rate of interest is ranging between 8.50 % to 9.50 %
Term Loan-Axis Bank (Closing balance of all the loans as at 31st March 2021 is Rs. 118,102,616/-)	27,82,34,069/-	74 Term Loans from Axis Bank repayable in monthly instalments of 18-36 months. The amount of instalment of all these loans ranges between Rs. 23,608/- to Rs. 12,52,192/-.	Rate of interest is ranging between 7.60% to 9.60%.

(b) \*Term Loans from ICICI Bank are secured against personal property of Directors. All other loans are secured against Fixed Assets (Commercial & Non-Commercial Vehicles) of Company.

\*Amount of instalment mentioned above is inclusive of interest.



**CEIGALL INDIA LIMITED**  
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**6 Long term provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee benefits		
- For gratuity	1,86,80,164	88,04,486
	<u>1,86,80,164</u>	<u>88,04,486</u>

**7 Short term borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans From Banks- repayable on demand		
Working Capital Loans from Bank	5,02,97,845	3,77,68,417
	<u>5,02,97,845</u>	<u>3,77,68,417</u>

\*Working Capital Loans are secured by way of hypothecation of all Types of Stocks, Book Debt, Land & Building owned by Company as well as Directors.

**8 Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues of Micro and Small Enterprises #	33,95,250	18,245
Outstanding dues of creditors other than Micro and Small Enterprises	51,23,21,055	39,05,94,240
	<u>51,57,16,305</u>	<u>39,06,12,485</u>

# This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



CEIGALL INDIA LIMITED  
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9 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	8,03,56,762	8,31,75,970
Retentions from creditors	3,71,58,378	2,80,56,950
Current maturities of Long Term Debts (Secured) (Note No. 5)	20,12,67,942	19,07,36,204
Payable / (Recoverable) to / from related parties	86,08,374	21,58,235
Interest accrued and due on borrowings	-	7,18,861
Employees Dues (Salary and benefits payable)	3,10,05,830	3,01,43,488
Statutory Dues	3,40,54,451	1,71,43,750
Deferred income	12,72,13,699	29,30,61,182
Other Payables	52,97,70,963	21,70,29,491
Provision for Corporate Social Responsibility	1,55,00,000	-
	<u>1,04,29,35,896</u>	<u>86,22,44,171</u>

10 Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee benefits		
- For gratuity	2,97,935	94,167
	<u>2,97,935</u>	<u>94,167</u>



11 Property, plant and equipment and Intangible assets

Particulars	As at March 31, 2020	Additions	Sale/Discards	As at March 31, 2021
<b>Gross Block</b>				
<b>Tangible Assets</b>				
Land	2,74,39,023	-		2,74,39,023
Office Building	1,54,67,290			1,54,67,290
Furniture & Fixtures	2,04,36,918	21,09,798		2,25,46,716
Computers & Data Processing Units	40,99,937	13,29,683		54,29,620
Vehicles	8,01,61,136	1,29,23,983	97,37,943	8,33,57,566
Equipments: Office, Electrical Installations & Laboratory	2,77,37,474	1,12,79,116		3,90,16,590
Plant & Machinery	65,65,90,039	30,11,98,764	55,12,212	95,22,76,591
<b>Total</b>	<b>81,38,46,806</b>	<b>32,98,40,842</b>	<b>1,52,39,755</b>	<b>1,14,84,47,893</b>
		<b>Charge for the year/write off</b>	<b>On sale/discards</b>	<b>up to March 31, 2021</b>
<b>Accumulated Depreciation</b>				
<b>Tangible Assets</b>				
Land	-	-		-
Office Building	65,82,413	8,37,156		74,19,569
Furniture & Fixtures	1,25,28,047	23,60,423		1,48,88,470
Computers & Data Processing Units	36,94,671	17,83,013		54,77,682
Vehicles	4,60,81,584	1,68,84,712	75,59,817	5,54,06,469
Equipments: Office, Electrical Installations & Laboratory	1,56,75,711	19,11,239		1,75,86,950
Plant & Machinery	26,72,20,643	11,13,17,438	40,83,842	37,44,54,239
<b>Total</b>	<b>35,17,85,068</b>	<b>33,51,04,978</b>	<b>1,16,43,659</b>	<b>47,52,44,378</b>



**CEIGAL INDIA LIMITED**  
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Particulars	As at March 31, 2020	As at March 31, 2021
<b>Net Block</b>		
(A) Tangible Assets		
Land	2,74,39,023	2,74,39,023
Office Building	88,84,876	88,47,720
Furniture & Fixtures	79,08,371	76,57,744
Computers & Data Processing Units	33,45,266	18,91,957
Vehicles	3,40,79,541	2,79,51,097
Equipments: Office, Electrical Installations & Laboratory	3,10,36,763	2,23,93,640
Plant & Machinery	38,93,60,396	37,78,22,353
(B) Capital Work in Progress	-	66,00,000
(C) Intangible Assets under Development	-	6,81,000
<b>Total</b>	<b>48,20,63,736</b>	<b>69,04,81,514</b>

**12 Non-current investments**

Particulars	As at March 31, 2020	As at March 31, 2021
Investment in AOP / Partnership Firm	1,33,50,838	1,25,18,578
Other Investments (Gold)	27,44,900	27,44,900
<b>Non-Current Investments - one valued at cost</b>	<b>1,60,95,738</b>	<b>1,52,73,478</b>

**13 Deferred tax assets (Net)**

Particulars	As at March 31, 2020	As at March 31, 2021
Deferred tax assets (Net)	2,56,82,511	1,90,16,283
	<b>2,56,82,511</b>	<b>1,90,16,283</b>

**14 Long term loans and advances**

Particulars	As at March 31, 2020	As at March 31, 2021
Security deposits		
—Unsecured, considered good	21,08,61,956	22,79,60,732
Advances given for Property	13,02,10,538	2,20,00,000
	<b>35,00,72,494</b>	<b>24,99,60,732</b>







CEIGALL INDIA LIMITED  
A-898, Tagore Nagar, Ludhiana 141001  
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Notes to the Financial Statements

ICICI Prudential Floating Interest Fund	17,859,588	53,00,000	17,859,588	53,00,000
SBI Liquid Mutual Fund	-	-	-	-
SBI Credit Risk Fund Growth	3,16,495,759	1,00,00,000	3,16,495,759	1,00,00,000
SBI Credit Risk Fund Growth	6,36,839,239	2,00,00,000	6,36,839,239	2,00,00,000
SBI Credit Risk Fund Growth	50,879,867	15,88,790	50,879,867	15,88,790
SBI Magnum Medium Duration Fund	6,96,918,505	2,50,00,000	6,96,918,505	2,50,00,000
SBI Short Term Debt Fund - Regular Plan	10,74,788,052	2,50,00,000	10,74,788,052	2,50,00,000
Tata Short Term Bond Fund Regular Growth	2,84,355,877	1,00,00,000	2,84,355,877	1,00,00,000
FRANKLIN (8.25 % VDOAFONE IDEA PORTFOLIO-2)	3,705,879	-	-	-
FRANKLIN (9.50 % YES BANK LTD PORTFOLIO-3)	4,026,153	-	-	-
FRANKLIN (9.50 % YES BANK LTD PORTFOLIO-3)	94,807,693	-	-	-
FRANKLIN (8.25 % VDOAFONE IDEA PORTFOLIO-2)	50,170,858	-	-	-
Investment in Gold Bonds	320,000	3,12,000	320,000	3,12,000
Sovereign Gold Bond Scheme 2015-2016	50,65,192,372	11,46,99,459	1,26,03,804,975	35,52,54,601

\* Investments are valued at cost or market price whichever is lower

\*\*Market Value of Investments Rs. 12,39,92,707/- (Previous Year Rs. 35,64,20,516/-)

17 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Contract materials (including trading goods/material at sites)*	17,04,06,529	11,47,94,736
Stock of Trees	3,18,64,580	3,25,34,380
	<u>20,22,71,109</u>	<u>12,73,29,116</u>

18 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Debits outstanding for a period exceeding six months from the date they are due for payment	5,15,96,991	2,45,75,810
- Considered good		
Others		
- Considered good	31,59,86,445	45,01,18,175
	<u>36,75,83,436</u>	<u>47,47,03,985</u>



CEIGALL INDIA LIMITED  
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19 Cash & cash equivalents (As per AS 3)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Balance with banks		
- In Current accounts	2,10,51,626	87,16,577
- In C/C accounts	41,88,313	60,00,412
b) Cheques/drafts in hand	9,33,53,463	6,87,07,816
c) Cash on hand	14,71,395	49,93,044
d) Deposit with original maturity for less than 3 months	8,00,00,000	-
	<u>20,20,65,788</u>	<u>8,84,17,896</u>
e) Other bank balances		
- Deposit with maturity for less than 3 months from the balance sheet date	65,68,42,888	31,05,46,573
- Deposit with maturity for more than 3 months but less than 12 months from the balance sheet date	65,94,20,888	52,75,39,753
- Deposit with maturity for more than 12 months from the balance sheet date	<u>18,83,15,528</u>	<u>92,65,04,182</u>
	<u>1,20,66,45,111</u>	<u>92,75,39,753</u>
Less: Amount disclosed under non current assets (refer note no.15)	<u>18,83,15,528</u>	<u>92,75,39,753</u>
	<u>1,51,83,26,584</u>	<u>95,89,54,428</u>

\*Out of Total FDRs shown in Other Bank Balances of Rs. 150.45 Crores above, 1cm is marked on FDRs amounting to Rs. 40.21 Crores

20 Short-term loans and advances

Particulars	As at March 31, 2021	As at March 31, 2020
Advances		
- For supply of goods and rendering of services	27,56,81,896	22,13,21,899
- To Employees	11,42,260	24,17,942
- To others	3,47,34,545	2,91,38,615
- Investment in mutual fund units	8,00,00,000	4,40,00,538
Security deposits/ Retention Money	8,36,57,521	16,65,553
Income Tax refund receivables (net of provision for tax)	31,81,320	-
Advance Tax & TDS (Net of provision for tax)	10,65,365	1,93,70,453
Prepaid expenses	2,72,96,800	6,93,51,100
Balance with Statutory/ Government Authorities	<u>13,35,83,769</u>	<u>36,82,68,090</u>
	<u>64,03,47,474</u>	



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Notes to the Financial Statements

21 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled Revenue	52,77,09,499	25,98,27,988
Other Current Assets	75,84,615	-
	<u>55,52,94,114</u>	<u>25,98,27,988</u>

22 Revenue from operations

Particulars	PY 2020-21	PY 2019-20
Billing Done	8,14,20,45,591	7,53,31,62,178
Add: Unbilled Revenue (Closing)	52,77,09,499	25,98,27,988
Less: Deferred Income (Closing)	12,72,13,699	29,30,81,182
	<u>8,54,25,41,391</u>	<u>7,49,99,08,984</u>
Less: Unbilled Revenue (Opening)	25,98,27,988	11,27,60,647
Add: Deferred Income (Opening)	29,30,81,182	25,66,70,488
	<u>8,57,57,94,585</u>	<u>7,64,38,18,825</u>
Other Revenue		
- Revenue from Goods & Others sales	13,22,38,920	7,15,37,073
- Revenue from Real Estate	12,44,000	15,00,00,000
- Revenue from Royalty Income	1,08,11,112	5,38,74,658
	<u>15,00,16,132</u>	<u>27,49,11,731</u>
	<u>8,72,61,10,717</u>	<u>7,91,87,30,556</u>

23 Other income

Particulars	PY 2020-21	PY 2019-20
Interest Income	8,91,36,787	2,95,27,154
Profit on sale of Mutual Funds	18,46,627	45,37,128
Profit on sale of Fixed Assets	42,64,884	24,22,226
Insurance Claim	-	3,21,883
Rebate and Discount	19,43,383	1,60,12,387
Prior year income	8,04,785	26,54,347
Profit & Loss from JV	8,32,820	7,21,624
Miscellaneous income	93,42,019	1,22,26,254
	<u>10,79,73,304</u>	<u>6,44,22,982</u>



**CEIGALL INDIA LIMITED**  
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24	Cost of materials consumed	FY 2020-21		FY 2019-20	
	Particulars				
	Cost of contract materials consumed				
	Opening stock of contract materials	11,47,94,736		32,31,34,523	
	Purchases during the year	3,57,04,24,102		3,62,92,34,354	
	Sub-total	3,68,52,18,838		3,85,23,58,877	
	Less: Closing stock of contract materials	(27,04,06,523)		(11,47,94,736)	
		<u>3,41,48,12,315</u>		<u>3,73,75,64,141</u>	
	Purchase of Real Estate	10,90,500		18,11,90,500	
		<u>10,90,500</u>		<u>18,11,90,500</u>	
	Total	<u>3,41,59,02,815</u>		<u>3,91,88,54,641</u>	
<b>25 Employees benefits expense</b>					
	Particulars	FY 2020-21		FY 2019-20	
	Salaries, bonus, allowances, etc.	12,47,20,621		12,80,46,927	
	Contribution to Provident and other funds	19,93,941		32,06,965	
	Gratuity	1,00,88,436		70,06,464	
	Staff welfare	19,94,134		9,85,196	
		<u>13,87,97,112</u>		<u>13,92,48,512</u>	
<b>26 Finance cost</b>					
	Particulars	FY 2020-21		FY 2019-20	
	Interest paid to bank	4,00,67,426		2,99,67,394	
	Bank charges	60,15,021		56,16,014	
	Interest - late deposit of income-tax deducted at source / service tax	76,967		53,30,338	
	Bank Guarantee charges	1,30,28,784		1,60,10,266	
	Other interest	11,65,930		39,37,672	
		<u>6,53,54,108</u>		<u>6,09,01,685</u>	
<b>27 Depreciation and amortization</b>					
	Particulars	FY 2020-21		FY 2019-20	
	Depreciation on property, plant and equipment	15,42,77,097		9,61,91,075	
	Asset written off	8,27,883		-	
		<u>13,51,04,978</u>		<u>9,61,91,075</u>	



## 28 Other expenses

Particulars	FY 2020-21	FY 2019-20
<b>Construction &amp; Administrative Expenses</b>		
Freight & forwarding	6,96,91,804	3,00,19,712
Hire charges	15,99,90,296	17,99,92,059
Consumption of fuels / lubricants at site	42,90,70,383	59,50,85,068
Contracting cost at site	2,36,13,09,799	1,38,19,17,211
Wages & Labour Cost at site	25,72,93,817	24,18,56,439
Royalty	5,65,87,313	12,75,54,516
(A)	3,31,49,43,372	2,35,64,35,015
<b>Auditor's Remuneration</b>	6,00,000	5,75,000
Rent	1,22,78,014	86,90,657
Power expenses	48,35,315	51,89,918
Insurance	96,04,377	1,01,93,240
Repairs & maintenance - Plant & Machinery	6,42,99,715	3,27,16,349
Repairs & maintenance - Other	3,17,64,802	1,29,27,361
Travelling, conveyance and vehicle hire, running & maintenance charges	27,74,613	28,70,349
Communication Expenses	4,55,454	3,09,086
Corporate Social Responsibility Expenditure	1,58,17,500	49,08,005
Printing & stationery	26,18,776	33,10,377
Legal & professional	2,76,71,269	2,88,49,349
Rates and taxes	3,41,34,052	50,04,869
Sales and business promotion	52,28,125	12,81,136
Prior period expense	49,105	-
Loss from investment in JV	10,560	-
Fire and penalty	1,36,450	2,32,006
Miscellaneous expenses	5,88,70,895	8,78,13,060
(B)	24,12,09,310	21,48,70,811
(A+B)	3,57,61,52,682	2,57,12,95,836
<b>Remuneration to Auditors Include:</b>		
Audit fee	3,30,000	3,25,000
Tax audit fee	1,50,000	1,50,000
GST Audit	1,00,000	1,00,000
Total	6,00,000	5,75,000





**CEIGALL INDIA LIMITED**  
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**29 Tax Expense**

Particulars	FY 2020-21	FY 2019-20
Current tax - Income tax	39,25,00,000	30,85,00,000
Deferred tax - Charges(Benefit)	(76,36,228)	(73,24,589)
Earlier year income tax (written back)/expense	(35,29,820)	(8,05,458)
	<u>38,13,13,952</u>	<u>30,03,69,954</u>

**30 Earnings Per Share**

Particulars	FY 2020-21	FY 2019-20
Calculation of weighted number of equity shares:		
Numbers of equity shares at the beginning	9,82,100	9,82,100
Numbers of equity shares at the end	9,82,100	9,82,100
Weighted average		
Profit/(loss) available for equity shareholders	1,12,14,58,173	88,32,71,798
Basic and diluted earnings per share	<u>1,141.90</u>	<u>1,342.21</u>

**31 Contingent Liabilities and commitments (to the extent not provided for in the books of account)**

(i) Sales Tax/ Value Added Tax demand outstanding - Nil (Previous year - Nil).

(ii) Contingent Liability in respect of following:

Sr. No.	Nature of Dues	Amount Unpaid (Rs.)	Period to which Amount relates	Forum where dispute is pending
1	Income Tax U/s 143(3)	1.51 Lacs	A.Y. 2012 - 2013	A.O., Ludhiana
2	Income Tax U/s 143(3)	64.52 Lacs	A.Y. 2018 - 2019	A.O., Ludhiana
3	Income Tax U/s 143(1)(b)	37.03 Lacs	A.Y. 2019 - 2020	A.O., Ludhiana

(iii) The Company has furnished bank guarantees to the customer which are outstanding on the balance sheet date. However, contingencies in respect thereof are not foreseen in view of there being no circumstances as of date warranting the customer to invoke a claim against the said guarantees.



### 3.2 Leases

Disclosures in respect of assets taken on operating lease on or after April 1, 2001 under Accounting Standard - 19 "Leases".

The Company enters into operating lease arrangements primarily for the office premises, guest house premises and residential premises for its employees. Some of the significant terms and conditions - the lessee on the expiry of the lease period, is required to vacate the premises and deliver the vacant possession to the lessor peacefully.

- the extension of the lease period is allowed on mutually acceptable terms.
- the leases are terminable at the option of the lessee by giving notice ranging from one to four months.

	FY 2020-21	FY 2019-20
(i) Lease Rentals Debited to Statement of Profit and Loss	1,22,78,014	86,90,657
(ii) Lease rentals payable after the balance sheet date	-	-
(a) Not later than one year	-	-
(b) Later than one year but not more than 5 years	-	-
(c) More than 5 years	-	-

### 3.3 Consumption of Imported and Indigenous materials consumed

	FY 2020-21	FY 2019-20
Particulars	Amount	Percentage (%)
Imported	-	0%
Indigenous	3,43,48,12,315	100%
Total	3,43,48,12,315	100%

### 3.4 Disclosure of Accounting Standard 7 "Construction Contracts" with respect to turnkey contracts are as follows:

Particulars	FY 2020-21	FY 2019-20
(a) Aggregate amount of revenue recognised during the year	8,57,57,94,585	7,64,38,18,825
(b) Method used to determine contract revenue recognised and the stage of completion	Percentage completion method	Percentage completion method
(c) Aggregate amount of cost incurred and recognised profit (less recognised losses) for contract in progress upto reporting date	12,29,47,25,536	8,08,88,21,225
(d) Advances received	7,95,74,170	7,01,53,088
(e) Gross amount due from customer for contract work	52,77,09,489	25,08,37,088
(f) Gross amount due to customers for contract work	12,72,13,699	20,30,81,182
Amount of retention outstanding for contracts in progress	26,83,96,858	17,86,64,319





## 35 Employee Benefits

## Employee Benefits disclosures as required under Accounting Standard 15 on "Employee Benefit"

The Company has recognised the following amounts in the Statement of Profit and Loss which are included under Contributions to Provident and Other Funds:

Particulars	FY 2020-21	FY 2019-20
Provident and Other Funds (including administration charges paid)	19,93,941	32,09,965

  

Particulars	Gratuity (Non Funded)	FY 2019-20
	FY 2020-21	
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Obligations at the beginning of the year	88,98,663	26,11,179
Current Service cost	92,31,981	54,62,877
Plan amendment cost / past service cost	-	-
Interest cost	6,00,660	1,71,579
Actuarial (gain)/loss	2,55,795	13,72,008
Benefits paid	-	(7,18,980)
Obligations at the end of the year	1,89,87,099	88,98,663
Change In Plan Assets:		
Plans assets at the beginning of the year, at fair value	-	-
Actual return on plan assets	-	-
Expected return on plan assets	-	-
Contribution Paid	-	-
Actuarial gain/(loss)	-	-
Benefits paid	-	-
Plans assets at the end of the year, at fair value	-	-
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan		
Present value of the defined benefit obligations at the end of the year	1,89,87,099	88,98,663
Fair value of plan assets at the end of the year	-	-
(Assets) / Liability recognized in the balance sheet	1,89,87,099	88,98,663
Cost For the Year:		
Current service cost	92,31,981	54,62,877
Plan amendment cost / Past service cost	-	-
Interest cost	6,00,660	1,71,579
Expected return on plan assets	-	-
Actuarial (gain)/loss	2,55,795	13,72,008
Net cost for the year	1,00,88,436	70,06,464



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Reconciliation of Liability Recognised in the Balance Sheet :	
Opening net liability / Assets	26,11,179
Expenses recognised	88,98,663
Benefit paid by the Company	1,00,88,436
Contribution paid by the Company	-
Liability / Assets recognised in the balance sheet	88,98,663
Actuarial Assumptions	
Discount rate	6.75%
Rate of increase in compensation level	7.00%
Estimated rate of return on plan assets	N.A.
Mortality Rate	N.A.
Attrition Rate	5.00%

**36 Related Party Disclosure**

Related Party disclosures as required under "Accounting Standard - 18"

**(i) Relationships**

(a)	Enterprises that directly, or indirectly through one or more intermediaries, control or Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture	(i) Ceigall 2BPL JV (ii) Ceigall IMC JV (iii) Ceigall Shiva JV (iv) Investments in Gawar Ceigall JV (upto 30-06-2019) (v) RPL Ceigall JV (v/v) Wsh Kong Construction India Pvt. Limited (v/v) Zephyr Limited.
(c)	Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	Sh. M. P. Singh Sh. Ramesh Sehgal Smt. Parmjit Kaur Smt. Simran Sehgal
(d)	Key management personnel and relatives of such personnel; and Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.	Sh. Ramesh Sehgal M/s. R.K. Info (Director is a partner) M/s. Ceigall Hospitality (Director is a partner) M/s. Ceigall Highway (Director's wife is Prop.)



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**(i) Transactions with Related Parties:**

Description	PY 2020-21	FY 2019-20
M.P. Singh		
Director Remuneration	3,70,39,600	3,71,42,342
Advance for purchase of land	-	1,10,00,000
Ramneet Sehgal		
Director Remuneration	4,80,39,600	4,81,80,697
Proceed from Share Capital	-	96,18,000
Proceed from Security Premium	-	37,62,71,000
Advance for purchase of land	7,07,97,025	-
Paramjit Kaur		
Director Remuneration	96,39,600	97,18,148
Advance for purchase of land	3,74,13,513	1,10,00,000
Suman Sehgal		
Salary	48,39,000	48,81,858
R.K. Infra		
Purchase of Fixed Assets & Others	11,18,369	12,76,430
Sale of Fixed Assets & Others	31,500	41,81,727
Expenditure of Contract Work	13,09,47,461	7,15,87,173
Cegall Shiva JV		
Sales / Work Done	-	54,23,389
Profit/(Loss) from Investment in JV	(10,560)	63,894
Cegall IMCL JV		
Sale Work Done	41,30,79,774	75,71,59,750
Profit/(Loss) from Investment in JV	8,32,800	6,97,740
Cegall SBPL JV		
Royalty Income	49,15,254	2,22,03,369
Wuh Kong Construction India Pvt. Limited		
Royalty Expenses	-	22,19,814
Zephyr Limited		
Royalty Expenses	2,86,39,814	13,80,186
RPL Cegall JV		
Royalty Income	83,30,274	1,69,31,279
Cegall Hospitality		
Purchases	1,41,000	-
Cegall Highway		
Advance for Contract Work	63,48,790	-



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Outstanding Balance	As at March 31, 2021	As at March 31, 2020
Receivable		
Ceigall Shiva J.V	1,33,26,879	1,40,04,684
Ceigall Shiva J.V Security Receivables	6,67,211	6,67,211
Ceigall IMC J.V	9,87,00,657	9,28,31,260
RPL Ceigall JV	63,093	15,43,057
Ceigall ICEO SBPL JV	10,000	10,000
R.V Infra	-	10,46,87,514
Investment in Gaur Ceigall	1,05,38,100	1,05,36,100
Wah Kong Construction India Pvt. Limited	1,88,683	-
Ceigall Highway	65,48,750	-
Advance against Properties		
- M. P Singh	1,10,00,000	1,10,00,000
- Rameek Sehgal	7,07,97,025	-
- Paramjit Kaur	4,84,13,513	1,10,00,000
Payable		
M. P Singh	35,87,106	9,56,341
Rameek Sehgal	48,62,862	6,61,795
Paramjit Kaur	30,810	1,46,413
Srinan Sehgal	1,28,585	3,98,995
Ceigall SBPL JV	3,72,862	3,72,862
Wah Kong Construction India Pvt. Limited	-	19,97,833
Zephyr Limited	-	12,42,168

37 The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	FY 2020-21	FY 2019-20
(a) The principle amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each	35,95,250	18,245
(b) The amount of interest paid by the Buyer in terms of section 16 of Micro Small and Medium Enterprises Development 2006, along	-	-
(c) The amount of interest due and payable for the period of delay in making payment (Which have been but beyond the appointed	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years until such date, when the interest dues	-	-



38 Previous Year Figures

The company has reclassified the previous year figures wherever necessary to conform to this year's classification.

39 No borrowing costs were capitalised during the year or in the previous year.

40 Figures have been rounded off to the nearest rupee.

41 In the opinion of the Board, all assets other than Property, Plant and Equipment and non current investments have a value on realisation in the ordinary course of business at least equal to the value at which they are stated in the foregoing Balance Sheet.

42 There is no import of raw material or capital goods during the year or in the previous year.

43 Earning in Foreign Currency (Accrual Basis)

Particulars	FY 2020-21 Amount (Rs.)	FY 2019-20 Amount (Rs.)
FOB Value of Exports	NIL	NIL

44 Expenditure in foreign currency

Particulars	FY 2020-21 Amount (Rs.)	FY 2019-20 Amount (Rs.)
Value of Expenditure	NIL	NIL

45 Corporate Social Responsibility

Financial Year	FY 2020-21	FY 2019-20
Gross Amount Required to be spent on CSR activities pursuant to section 135	A 1,17,55,103	64,20,269
Amount approved by the Board out of above	B 1,17,55,103	64,20,269
Amount incurred on CSR activities during the year	C 3,17,500	3,33,281
Balance amount required to be incurred on CSR Activities as at the close of the year	D=(A-C) 1,14,37,603	40,76,988
Provision booked out of above (B) for ongoing CSR projects to be transferred to Unspent CSR A/c with Schedule Bank	E -	-
Provision booked out of above (B) for deposit in any fund specified in schedule VII	F 1,14,73,012	40,76,988
Provision created for surplus arisen out of CSR Project	G -	-
Amount deposited between 01/04/2021 and date of signing the Financials out of (E)	H -	-
Amount deposited between 01/04/2021 and date of signing the Financials out of (F)	I -	-



As per our report of 05th September 2021

FOR S.D. BANSAL & CO.

CHARTERED ACCOUNTANTS

FRN: 000621N

ANIL YADAV GUPTA

PARTNER

MLNO.: 059388

UDIN: 21085588 A A A A P 6 9 15

PLACE: LUDHIANA

DATE: 30.09.2021

For and on behalf of the Board of Directors of  
Ceissal India Limited

Managing Director

RAMMEK SENGAL

DIN- 01614665

Director

M.P. SINGH

DIN- 01107020