



INDEPENDENT AUDITOR'S REPORT

To the Members of Furnace Fabrica (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Furnace Fabrica (India) Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and 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 which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Kolkata, Zambia and Morocco.

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 Companies Act, 2013 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 its loss 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 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to note 38 and 39 in the Financial Statements that the contract work in progress of Rs. 92.02 Crores as at March 31, 2021 consists of mainly the cost incurred including in past years cost incurred by the company and applicable margin thereon due to non-billing on its project clients on account of milestones not achieved as per the terms of contracts and due to COVID 19 uncertainty. These costs and margins recognized by the company are fully billable and recoverable in view of the management as per the past practice and accordingly no provision for impairment thereof is considered.

Due to uncertainty regarding the duration and extent of COVID 19 Outbreak declared by the Central Government and State Government, the Company cannot fully estimate the final impact from the COVID 19 which could be material.

R V Luharuka & Co LLP, Chartered Accountants
138B, Jolly Maker Chambers II, Nariman Point, Mumbai 400 021



Operating performance in fiscal 2021 was impacted following measures taken by various state governments as well as central government towards containment of COVID-19 which included temporary closure of non-critical establishments, inter-state transportation etc. along-with severe restrictions on travel. Execution of the construction projects was impacted by the lockdown announced by the central government. The supply chain was temporarily disrupted, and sales volume has been affected adversely due to decline in demand for prolonging global pandemic. Since these measures were imposed at a broader level and across sectors, they have impacted the business profile of the company. The ability of the business to revert back to operational stability and any relief measures given by the government cannot be ascertained.

The Company has been experiencing working capital issues and facing cash flow restrictions due to disruption in work, movement of labor and breakdown of the supply chains. Ongoing and expected construction projects were severely affected due to lockdown conditions brought about by the threat of COVID 19.

Our opinion is not modified in respect of these matters

Information other than the Financial Statements and Auditor's Report thereon.

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

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

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

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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

We did not audit the financial statements/ information of three branches included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of Rs.61.27Crores as at March 31, 2021 and total revenue of Rs.46.12Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) 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 and with the returns received from the branches not visited by us.
 - (e) 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.



- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) 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".
- (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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by the Companies Act (as amended) we report that the company has paid remuneration to director in accordance with the provisions of section 197 of the Act and rules there under.

For R V Luharuka & Co LLP
Chartered Accountants
FRN No. 105662W / W100174



Ramesh Luharuka
Partner

Membership No: 031765

UDIN: 22031765AFJOQT7281



Place: Mumbai

Dated: 17th March 2022

ANNEXURE A - REFERRED TO IN PARAGRAPH 1 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT TO THE MEMBERS OF FURNACE FABRICA (INDIA) LIMITED OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2021

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) As informed to us the title deeds of all immovable properties are held in the name of the company.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- (iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the Information and explanations given to us, since during the year there are no transactions of loans, investments, guarantees and securities, compliance of the provisions of section 185 and 186 of the Companies Act, 2013 do not arise.
- (v) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the records of the company, the company is generally regular (except some delays) in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, value added tax and cess with the appropriate authorities. The arrears of statutory dues of income tax of Rs.1.76 Crores goods & service Tax of Rs. 0.28 Crores as at March 31, 2021 were outstanding for a period of more than six months from the date they became payable.



(b) According to information and explanation given to us, the following statutory dues aggregate to Rs.21.13 Crores have not been deposited by the company on account of disputes.

Name of Statute	Nature of Dues	Amount in Rs.Crores	Period to which amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Works Contract Tax	0.63	F.Y. 2010-11	Joint Commissioner of Sales Tax (Appeals)
Income Tax Act, 1961	Income Tax Penalty	0.32	F.Y. 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2.11	F.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	13.48	F.Y. 2013-14	Commissioner of Income Tax (Appeals)
Bombay Provincial Municipal Corporation Act, 1949	Municipal Corporation Cess on entry of the Goods	1.64	F.Y. 2003-04	Dy. Municipal Commissioner (L.B.T./CESS)
Bombay Provincial Municipal Corporation Act, 1949	Municipal Corporation Cess on entry of the Goods	2.18	F.Y. 2004-05	Dy. Municipal Commissioner (L.B.T./CESS)
The Central Sales Tax Act, 1956	Central Sales Tax	0.33	F.Y. 2016-17	Pending Rectification-30/03/21
Maharashtra Value Added Tax Act-2002	Maharashtra Value Added Tax	0.44	F.Y. 2016-17	Pending Rectification-30/03/21
Total		21.13		

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings, to banks and financial institutions.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.



- (xii) Since the company is a not Nidhi Company, Clause (xii) is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 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.
- (xiv) According to the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the records of the company and in our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, compliance with the provisions of Section 192 of Companies Act, 2013 does not arise.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R V Luharuka & Co LLP
Chartered Accountants
FRN No. 105662W / W100174

Ramesh Luharuka
Partner
Membership No: 031765
UDIN: 22031765AFJOQT7281



Place: Mumbai
Dated: 17th March 2022



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FURNACE FABRICA (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 **FURNACE FABRICA (INDIA) LIMITED** ("the Company") as at 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 the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

R V Luharuka & Co LLP, Chartered Accountants
138B, Jolly Maker Chambers II, Nariman Point, Mumbai 400 021



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

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021.

- a) During the year, due to frequent Turnover of employee in accounts department including non-involvement of CFO in day to day transactions there is a delay in accounting, preparation and finalization of accounts.
- b) The Company does not have internal audit system (internal or external) to carry on internal audit and risk assessment.

A 'material weakness' is a deficiency or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.



In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021, financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

For R V Luharuka & Co LLP
Chartered Accountants
FRN No. 105662W / W100174



Ramesh Luharuka
Partner

Membership No: 031765
UDIN: 22031765AFJOQT7281



Place: Mumbai
Dated: 17th March 2022

FURNACE FABRICA (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ In crores)

Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	20.00	20.00
(b) Reserves and Surplus	3	133.93	173.87
		153.93	193.87
Non Current Liabilities			
(a) Long Term Borrowings	4	32.40	26.25
(b) Deferred Tax Liabilities (Net)	5	11.30	10.40
(c) Long Term Provisions	6	2.20	2.17
		45.90	38.82
Current Liabilities			
(a) Short Term Borrowings	7	50.28	60.20
(b) Trade Payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		86.58	78.02
Total outstanding dues of creditors other than micro enterprises and small enterprises		70.46	102.21
(c) Other Current Liabilities	9	1.41	1.24
(d) Short Term Provisions	10	208.73	241.67
		408.56	474.36
II. ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	11	71.93	81.71
(i) Tangible Assets		0.14	0.28
(ii) Intangible Assets		72.07	81.99
(b) Non Current Investments	12	5.15	5.47
(c) Long Term Loans and Advances	13	12.52	8.66
		89.74	96.12
Current Assets			
(a) Current Investments	14	6.82	6.38
(b) Inventories	15	98.17	163.16
(c) Trade Receivables	16	105.02	100.48
(d) Cash and Cash Equivalents	17	23.47	33.81
(e) Short Term Loans and Advances	18	84.69	73.94
(f) Other Current Assets	19	0.65	0.47
		318.82	378.24
		408.56	474.36

Significant Accounting Policies & Notes Forms an Integral Part of Financial Statements

As per our report of even date

For R V Luharuka & Co LLP
Chartered Accountants
FRN: 105662W/W100174

Ramesh Luharuka
Partner
M.NO. 031765

Mumbai
Dated : March 17, 2022



For and on behalf of the Board

A. Basheeruddin
Managing Director

Nezee Basheeruddin
Director

Jigna Gala
Company Secretary



FURNACE FABRICA (INDIA) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in crores)

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
INCOME			
Revenue from Operations	20	235.96	414.18
Other Income	21	53.83	4.02
Total Revenue		289.79	418.20
Expenses:			
Consumption of Raw Materials & Components	22	55.62	106.68
Opening Contracts In Progress		143.92	73.84
Employee Benefits Expense	23	22.09	41.28
Finance Costs	24	18.61	21.22
Depreciation, amortisation & impairment	11	7.22	7.85
Other Expenses	25	81.36	159.61
Total Expenses		328.82	410.48
Profit before Extraordinary Items and Tax		(39.03)	7.72
Exceptional / Extraordinary Items		-	-
Profit before Tax		(39.03)	7.72
Tax Expense:			
Current tax		-	2.80
Tax adjustments for earlier years		-	-
Deferred Tax		0.90	(2.04)
Profit after tax		(39.93)	6.96
Earnings Per Share of ₹ 10 each	26		
Basic		(39.93)	6.96
Diluted		(39.93)	6.96

Significant Accounting Policies & Notes Forms an Integral Part of Financial Statements

As per our report of even date

For R V Luharuka & Co LLP
Chartered Accountants
FRN: 105662W/W100174

Ramesh Luharuka
Partner
M.NO. 031765

Mumbai
Dated : March 17, 2022



For and on behalf of the Board

(Signature)
A. Basheeruddin
Managing Director

Jigna Gala
Company Secretary

(Signature)
Nezee Basheeruddin
Director



FURNACE FABRICA (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in crores)

Sr.No	Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I	Cash Flows from Operating Activities		
	Net Profit before Tax	(39.03)	7.73
	Adjustments for:		
	Depreciation	7.22	7.86
	(Profit)/Loss on sale of Assets	0.47	-
	Unrealised Foreign Exchange Gain	(4.79)	(2.44)
	Finance Costs	18.62	21.23
	Balances written back (net)	(52.03)	-
	Investment written off	(0.12)	-
	Interest Income	(1.35)	(1.74)
	Dividend Income	(0.44)	(0.30)
	Operating Profit before Working Capital Changes	(71.45)	32.34
	Adjustments for :		
	Trade Receivables	(0.63)	(17.89)
	Inventories	64.98	(47.29)
	Loans and Advances /other Current Assets	37.45	(4.68)
	Trade Payables / Other Liabilities/Provisions	(15.46)	42.43
	Cash Generated from Operating Activities	14.89	4.91
	Direct Taxes (Paid)	(1.91)	(2.84)
	Net Cash Generated from / (Used in) Operating Activities	12.98	2.07
II	Cash Flows From Investing Activities		
	Capital expenditure on fixed assets including capital advances	(0.49)	(0.55)
	Proceeds from sale of Fixed Assets	2.70	-
	Purchase of Investments	-	(0.30)
	Interest Received	1.17	1.65
	Dividends Received	0.44	0.30
	Net Cash Used in Investing Activities	3.82	1.10
III	Cash Flows From Financing Activities		
	Proceeds from Borrowings (Net)	19.69	(4.01)
	Repayment of Borrowings	(28.21)	25.94
	Finance Charges Paid	(18.62)	(21.22)
	Net Cash Generated from / (Used in) Financing Activities	(27.14)	0.71
	Net Increase/(Decrease) in Cash & Cash Equivalents (I+II+III)	(10.34)	3.85
	Opening Balance of Cash of Cash & Cash Equivalents	33.81	29.96
	Closing Balance of Cash of Cash & Cash Equivalents	23.47	33.81
	Cash & Cash Equivalents	23.47	33.81

Note:

Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".

As per our report of even date

For R V Luharuka & Co LLP

Chartered Accountants

FRN: 105662W/W100174

Ramesh Luharuka

Ramesh Luharuka
Partner
M.NO. 031765



Mumbai
Dated : March 17, 2022

For and on behalf of the Board

A. Basheeruddin
A. Basheeruddin
Managing Director

Nezee
Nezee Basheeruddin
Director

Jigna Gala
Jigna Gala
Company Secretary



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Corporate Information

Furnace Fabrica (India) Limited (the Company) is a public Limited Company domiciled in India and incorporated on 3rd December, 1985 under the provisions of the Companies Act, 1956. The Company is primarily engaged in the business of engineering, procurement and construction of plants for iron and steel, zinc, copper, alumina, sulphuric acid, power, cement, petrochemical, fertilizer and other industries. The Company has mechanical fabrication and manufacturing facilities in Maharashtra and Gujarat (One workshop each). The Company also provides electrical & instrumentation services and insulation & refractory application/maintenance services to above industries.

NOTE 1

Significant Accounting Policies

a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of Assets and Liabilities.

b) Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference, if any, between the actual results and estimates is recognized in the year in which the results are known / materialized.

c) Revenue

Revenue is recognized in accounts in accordance with Accounting Standard-7 'Accounting for Construction Contracts' issued by Institute of Chartered Accountants of India. The method of recognition is on percentage completion basis. Revenue is recognized under Percentage Completion Method on the basis of proportion that contract costs incurred for work performed up to the reporting date bears to the estimated total contract costs.

d) Property, Plant and Equipment

Tangible Assets

Property, Plant and Equipment are recorded at Cost. Cost is purchase cost and in the case of Freehold Land, includes development cost incurred, together with all incidental costs of acquisition, borrowing costs and other related internal costs and is netted of for Cenvat and Value Added Tax. Profit/Loss on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Intangible Assets

Intangible assets are recognized and accounted at cost in accordance with Accounting Standard-26 'Intangible Assets'.

e) Capital Work In Progress

All expenditure, including advances given relating to development of land, buildings, and plant & machinery etc. are accumulated and shown as capital work-in-progress till the completion of such activities. Capital advances are presented under long term loans & advances.

f) Borrowing costs

Borrowing Costs attributable to the acquisition and construction of the Qualifying Assets, which takes substantial period of time to get ready for its intended use, are capitalized as part of the cost of respective assets up to the date when such asset is ready for its intended use. Other Borrowing costs are charged to the Statement of Profit and Loss.

g) Depreciation and Amortization

Freehold land is not depreciated. Leasehold land is amortized equally over the period of lease.

Other assets are depreciated based on useful life prescribed in Schedule II of Companies Act, 2013.

Depreciation on additions/deletions to Fixed assets made during the year is provided on prorata basis from or up to date of such additions/deletions as the case may be.



Intangible assets are stated at cost less accumulated amortization & are amortized over a period of Five years.

h) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the Statement of profit and loss. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i) Investments

Long Term investments are stated at cost. Cost includes incidental expenses of acquisition. Decline in value of investment other than of temporary nature is recognized in the Statement of Profit & Loss.

j) Employees Benefits

Provident Fund contributions are made as per a defined contribution scheme and the contribution of company is charged to the Statement of Profit and Loss of the year when become due. The company has no other obligation other than to contribute and deposit the contribution to respective authorities.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Long term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of long term benefits are charged to the Statement of Profit and Loss.

k) Valuation of Inventory

Inventories of spares, consumables, components are valued at lower of cost and net realizable value. Cost represents purchase cost and other incidental costs, if any. Cost of inventories is computed on Weighted Average/ FIFO basis.

l) Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary assets and liabilities are translated at the year end using closing rate if remain unsettled at the year end. Non monetary foreign currency items are carried at cost.

The resulting gain or loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss.

m) Provisions for Current and Deferred Tax

Provision for Current Tax is made on the basis of taxable income under the provision of the Income Tax Act, 1961. Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

In accordance with the guidance note issued by Institute of Chartered Accountants of India, the Company recognizes MAT Credit as an asset only to the extent, the probability exists that the Company will become liable to pay normal Income Tax during the specified period as per provision of the Income Tax Act, 1961.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of Notes to Accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

o) Work in Progress and Cost Allocation

Each construction contract is considered as a cost centre and all costs directly identifiable to the Contract are charged on actual basis. Indirect miscellaneous costs are also allocated to the various contracts using appropriate overhead recovery method. Contract work-in-progress is valued at cost, including therein profit or loss arrived at in accordance of Accounting Standard -7 'Accounting for Construction Contracts'. In accordance with AS-7 read with AS-16, no cost has been allocated on project under suspension.

p) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments / receipts are recognized as an expense / income in the Statement of Profit and Loss on a straight-line basis over the lease term.



FURNACE FABRICA (INDIA) LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE 2
SHARE CAPITAL

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	(₹ In crores)	Number of Shares	(₹ In crores)
Authorised Capital				
Equity shares of ₹ 10 each	3,00,00,000	30.00	3,00,00,000	30.00
Redeemable Preference shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00
	3,10,00,000	40.00	3,10,00,000	40.00
Issued, Subscribed and Fully Paid up				
Equity shares of ₹ 10 each	1,00,00,000	10.00	1,00,00,000	10.00
2% Redeemable Preference shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00
Total	1,10,00,000	20.00	1,10,00,000	20.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	(₹ In crores)	Number of Shares	(₹ In crores)
Equity Shares				
- Opening Balance	1,00,00,000	10.00	1,00,00,000	10.00
- Issued during the year	-	-	-	-
- Outstanding at year end	1,00,00,000	10.00	1,00,00,000	10.00
Redeemable Preference Shares				
- Opening Balance	10,00,000	10.00	10,00,000	10.00
- Issued during the year	-	-	-	-
- Outstanding at year end	10,00,000	10.00	10,00,000	10.00

(ii) Rights, Preferences and restrictions attaching to the shares

-Equity Shares

The company has only one class of Equity shares having par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

-Redeemable Preference Shares

The company has only one class of Redeemable Preference shares having par value of ₹ 100 each. Each holder of preference shares is entitled for dividend of ₹ 2 share annually. Redeemable preference shareholders are not entitled to voting rights. The Company shall have option to redeem the shares at par in one or more tranches from any or all the existing holders, anytime after completion of period of seven years from the date of allotment 24.03.2011 but before 20 years i.e. 24.03.2031 and the Board shall give one month notice for any such redemption to the registered holders of Shares.

(iii) None of the above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestment.

(iv) Details of shares held by each shareholder holding more than 5% of Equity Shares with voting rights or Preference Shares in the company:

Class of shares / Name of shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
-Equity Shares				
Dr. Badri Prasad	15,00,000	15.00	15,00,000	15.00
Mr. A. Basheeruddin	9,00,000	9.00	9,00,000	9.00
Mrs. Nezee Basheeruddin	21,00,000	21.00	21,00,000	21.00
Mr. Raiz Basheeruddin	9,00,000	9.00	9,00,000	9.00
Mr. Shashikiran Prasad	12,00,000	12.00	12,00,000	12.00
Mrs. Sudha Prasad	10,00,000	10.00	10,00,000	10.00
Ms. Archana Prasad	8,00,000	8.00	8,00,000	8.00
Dr. Sanam Basheeruddin	6,00,000	6.00	6,00,000	6.00
Total	90,00,000	90.00	90,00,000	90.00
-Redeemable Preference Shares				
Mr. Raiz Basheeruddin	2,00,000	20.00	2,00,000	20.00
Mr. Shashikiran Prasad	2,00,000	20.00	2,00,000	20.00
Dr. Sanam Basheeruddin	1,50,000	15.00	1,50,000	15.00
Dr. Badri Prasad	1,00,000	10.00	1,00,000	10.00
Mrs. Nezee Basheeruddin	1,00,000	10.00	1,00,000	10.00
Mrs. Sudha Prasad	1,00,000	10.00	1,00,000	10.00
Ms. Archana Prasad	1,00,000	10.00	1,00,000	10.00
Total	9,50,000	95.00	9,50,000	95.00

(v) The company has not allotted any shares as fully paid up, pursuant to contracts without payment being effected in cash/Bonus Shares/bought back/forfeited/call unpaid in preceding five years.



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ In crores)

	As at 31st March, 2021	As at 31st March, 2020
NOTE 3		
Reserves and Surplus		
General Reserve		
Opening balance	173.87	166.91
Add : Transferred from the Statement of Profit and Loss	(39.93)	6.96
Closing balance	133.94	173.87
Surplus in Statement of Profit and Loss		
Opening balance	-	-
Add : Profit for the year	(39.93)	6.96
Less : Transfer to General Reserve	(39.93)	6.96
Closing balance	-	-
	133.94	173.87
NOTE 4		
Long Term Borrowings		
Secured		
(a) Term Loans		
From Banks	4.81	0.15
From Others	27.51	26.00
(b) Vehicle Loans		
From Banks	0.05	0.06
From Others	0.03	0.04
	32.40	26.25
NOTE 5		
Deferred Tax Liabilities (Net)		
Tax effect of items constituting deferred tax liabilities		
On account of timing difference of depreciation (net)	10.40	10.66
Others (Amounts allowable on a payment basis under the Income Tax Act,1961)		
Tax effect of items constituting deferred tax assets		
Timing difference on disallowance of expense - Retirement benefits	0.90	(0.26)
Deferred Tax Liabilities (Net)	11.30	10.40



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ In crores)

	As at 31st March, 2021	As at 31st March, 2020
--	---------------------------	---------------------------

NOTE 6

Long Term Provisions

Provision for Employees benefits

Compensated absences	0.63	0.51
Gratuity	1.57	1.66
	2.20	2.17

NOTE 7

Short Term Borrowings

From Banks

Secured

Security

Cash Credit	Secured against hypothecation of inventories, book debts, present and future; and charge on the immovable properties of the company both present and future and further secured by Personal guarantees of the Directors.	45.39	51.53
-------------	--	-------	-------

Others	Secured Against hypothecation of Batching Plant; current assets and fixed assets	3.36	0.20
--------	--	------	------

Unsecured

From Banks		0.78	0.87
------------	--	------	------

From Others		0.75	1.38
-------------	--	------	------

Buyers Credit	(90 days at an Interest rate of LIBOR+3)	-	6.22
---------------	--	---	------

50.28 **60.20**

NOTE 8

Trade Payables

Total outstanding dues of Micro Enterprises and Small Enterprises

-

Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises

86.58 78.02

86.58 **78.02**



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	As at 31st March, 2021	As at 31st March, 2020
--	---------------------------	---------------------------

8.1 Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED")

The Company has no amounts due to suppliers under MSMED as at the end of the year	-	-
Principal amount due to suppliers under MSMED	-	-
Interest accrued and due to suppliers under MSMED on the above amount unpaid.	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year)	-	-
Interest paid to suppliers under the MSMED	-	-
Interest due and payable to suppliers under MSMED towards payment already made.	-	-

Note : The information relates to such vendors identified as micro, small & medium as per information to the extent available with Company.

NOTE 9

Other Current Liabilities

Current Maturities of Long Term Borrowings [Refer Note - 36]

Secured

(a) Term Loans		
From Banks	0.16	0.05
From Others	3.17	8.00
(b) Vehicle Loans		
From Banks	0.03	0.06
From Others	0.01	0.01
Statutory Liabilities	4.01	2.12
Payables on Purchase of Fixed Assets	0.46	0.28
Security Deposit	0.05	-
Others Payables	4.49	2.14
Advances Received		
Customers	34.77	68.53
Related Parties	23.20	21.02
Others	0.11	-
	70.46	102.21

NOTE 10

Short Term Provisions

Provision for Employee Benefits		
Compensated absences	0.08	0.05
Provision - Others		
Loss on Contract	-	0.09
Provision For Corporate Social Responsibility (CSR)	1.33	1.10
	1.41	1.24



FURNACE FABRICA (INDIA) LIMITED
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021
 NOTE 11 : Property, Plant and Equipment

Fixed Assets	Gross Block						Depreciation / Amortisation				Net Block	
	As at 1st April 2020	Additions during the year	Deletions / Adjustments during the year	As at 31st March 2021	As at 1st April 2020	Depreciation charged for the Year	Charged to Retained earnings	Deletions during the year	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020	
Tangible Assets												
Freehold Land	0.26	-	-	0.26	-	-	-	-	-	0.26	0.26	
Leasehold Land	0.91	-	-	0.91	0.23	0.02	-	-	0.25	0.66	0.67	
Buildings	24.02	-	-	24.02	4.37	0.51	-	-	4.88	19.14	19.05	
Temporary Structures	2.79	0.34	-	3.13	2.52	0.14	-	-	2.66	0.47	0.27	
Plant and Equipment	99.33	0.07	7.40	92.00	41.88	5.66	-	4.23	43.31	48.69	57.45	
Computers	2.54	0.01	-	2.55	2.32	0.08	-	-	2.40	0.15	0.22	
Furniture and Fixtures	2.72	0.04	-	2.76	1.41	0.24	-	-	1.65	1.11	1.31	
Vehicles	6.93	-	-	6.93	5.63	0.23	-	-	5.86	1.07	1.30	
Office equipment	2.02	0.02	-	2.04	1.45	0.21	-	-	1.66	0.38	0.58	
Total Tangible Assets	141.52	0.48	7.40	134.60	59.81	7.09	-	4.23	62.67	71.93	81.71	
Intangible Assets												
Softwares	2.46	-	-	2.46	2.19	0.13	-	-	2.32	0.14	0.28	
Total Intangible Assets	2.46	-	-	2.46	2.19	0.13	-	-	2.32	0.14	0.28	
Total Assets	143.98	0.48	7.40	137.06	62.00	7.22	-	4.23	64.99	72.07	81.99	
<i>Previous Year</i>	143.35	0.64	-	143.99	54.16	7.85	-	-	62.01	81.99	89.19	



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	As at 31st March, 2021	As at 31st March, 2020
NOTE 12		
Non Current Investments		
NON TRADE INVESTMENTS (at cost)		
Investments In Subsidiaries		
Unquoted		
<u>In Equity Shares</u>		
4,000,000 (P.Y. 4,000,000) Equity Shares of ₹ 10 each fully paid up in Pacific Refractories Ltd.	4.00	4.00
1,000,000 (P.Y. 1,000,000) Equity Shares of ₹ 10 each fully paid up in Furnace Fabrica International Ltd	1.00	1.00
Nil (P.Y. 135) Equity Shares of AED 1,000 each fully paid up in Furnace Fabrica FZC, Dubai	-	0.32
Investments In Others		
Quoted		
<u>In Equity Shares</u>		
800 (P.Y. 800) Equity Shares of ₹ 10 each fully paid up in Binani Industries Ltd.	0.02	0.02
1,440 (P.Y. 1,440) Equity Shares of ₹ 10 each fully paid up in IDBI Bank Ltd	0.01	0.01
Unquoted		
<u>In Equity Shares</u>		
34,534 (P.Y. 34,534) Equity Shares of ₹ 25 each fully paid up in The Pratap Co-op. Bank Ltd	0.09	0.09
10,595 (P.Y. 10,595) Equity Shares of ₹ 10 each fully paid up in Sree Narayan Guru Co-op. Bank Ltd.	0.01	0.01
1,000 (P.Y. 1,000) Equity Shares of ₹ 10 each fully paid up in The Udaipur Urban Co-op Bank Ltd.	*	*
[* ₹ 10,000]		
<u>Investments In Government Securities</u>		
Kisan Vikas Patra (Deposited with Government Authorities)	0.01	0.01
National Saving Certificates (Deposited with Government Authorities)	0.01	0.01
	5.15	5.47
Less: Provision for diminution in value of investments	-	-
	5.15	5.47
Aggregate amount of quoted investments	0.03	0.03
Aggregate amount of unquoted investments	5.12	5.44
Aggregate market value of quoted investments * [CY ₹ 59,912 / PY 32,192]	*	*



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	As at 31st March, 2021	As at 31st March, 2020
NOTE 13		
Long Term Loans and Advances		
(Unsecured, considered good)		
Capital Advances	0.10	0.09
Security Deposits		
Related Parties	1.00	1.00
Others	4.43	2.58
Income Tax / Taxes refundable (net of taxes paid)	6.99	4.99
	12.52	8.66
NOTE 14		
Current Investments		
Quoted		
<u>INVESTMENTS IN MUTUAL FUNDS</u>		
59,964.020 (P.Y. 59,964.020) Units of SBI Ultra Short Term fund Dividend Plan Of ₹ 1,000 each	6.42	6.00
3700.383 (P.Y. 777.129) Units of SBI Ultra Short Term Fund Dividend Plan Of ₹ 1,000 each	0.40	0.37
Nil (P.Y. 5,000) Units of UTI Equity Fund Dividend Plan of ₹10 each	-	0.01
	6.82	6.38
NOTE 15		
Inventories		
Valued at lower of Cost and Net Realizable Value		
(As taken, valued and certified by Management)		
Stock in Hand Including Stores & Spares	6.15	19.24
Contract Work In Progress / Unbilled	92.02	143.92
	98.17	163.16
NOTE 16		
Trade Receivables		
(Unsecured, considered good)		
Due for more than six months	83.55	77.58
Other Receivables	21.47	22.90
	105.02	100.48
NOTE 17		
Cash and Cash Equivalents		
Cash on hand	0.10	0.19
Balances with Banks		
Current Accounts	0.29	1.59
EEFC Accounts (* ₹ 2,917)	*	0.02
Fixed Deposits	23.08	32.01
[Kept under lien by Bank as margin money against non fund based facilities provided]		
	23.47	33.81



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	As at 31st March, 2021	As at 31st March, 2020
NOTE 18		
Short Term Loans and Advances		
(Unsecured, Considered Good)		
Loans and Advances		
Related Parties	16.26	8.25
Employees	1.29	0.89
Others	22.19	21.73
Security Deposits		
Earnest Money Deposit	0.43	0.43
Prepaid Expenses		
	2.10	3.21
Balance with Government Authorities :		
Taxes & Duties including CESS & GST Receivable	13.31	11.50
Vat Credit (net)	2.09	6.45
Others		
Advance for Supplies & Services		
Related Parties	9.75	3.31
Recoverable From NBFC (TDS)	0.23	0.01
Others	17.04	18.08
Advance for Expenses	-	0.08
	84.69	73.94
NOTE 19		
Other Current Assets		
Interest Accrued on Term deposits	0.65	0.47
	0.65	0.47



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
NOTE 20		
Revenue from Operations		
Sales & Contract Revenue		
Contract Receipts	143.60	267.09
Add: Closing Contracts In Progress	92.02	143.92
	235.62	411.01
Other Operating Revenue		
Scrap Sales	0.28	0.35
Sale of Licences	0.06	2.82
	235.96	414.18
NOTE 21		
Other Income		
Interest Income on deposit with banks	1.35	1.74
Dividend Income on current investments in mutual funds	0.44	0.30
Balances Written Back	52.03	-
Miscellaneous Income	0.01	0.17
Gain On Foreign Currency Transactions	-	1.81
	53.83	4.02
NOTE 22		
Consumption Of Raw Material And Components*		
Opening Inventory	19.05	41.87
Add - Purchases	42.72	83.86
Total	61.77	125.73
Less : Closing Inventory	6.15	19.05
	55.62	106.68
*There are numerous and different sizes and nature of Items which also include spares and consumables. Therefore, it is not feasible to give quantitative information in respect thereof.		
NOTE 23		
Employee Benefits Expense		
Salaries, Wages, And Other Benefits	20.81	39.18
Contribution To Provident & Other Funds	1.03	1.14
Staff Welfare Expenses	0.25	0.96
	22.09	41.28



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
NOTE 24		
FINANCE COSTS		
Interest Expense On:		
Borrowings	13.39	10.11
Other Borrowing Costs		
Bank Guarantee Commission	3.56	5.49
Others	1.58	5.36
Interest On Late Payment Of Tax	0.08	0.09
Difference In Exchange On Foreign Currency Transaction	-	0.17
	18.61	21.22
NOTE 25		
Other Expenses		
Consumption Of Stores And Spares	0.19	0.72
Sub Contracts	55.68	119.35
Electricity & Fuel Charges	1.64	2.10
Rent	0.98	1.93
Repairs & Maintenance		
Machinery	0.22	0.52
Vehicles	0.41	0.25
Others	0.44	0.43
Machinery Hire Charges	3.82	8.58
Insurance	0.53	0.73
Rates & Taxes	0.93	0.89
Communication Expenses	0.27	0.42
Travelling & Conveyance	1.23	1.63
Printing & Stationary	0.16	0.33
Freight & Forwarding Charges	1.30	2.65
Advertisement, Entertainment & Sales Promotion	0.09	2.63
Liquidated Damages	3.86	0.18
Legal & Professional Charges	3.59	4.90
Agency Charges	-	1.53
Payment To Auditors	0.12	0.09
Loss On Foreign Currency Transactions	2.04	0.68
Provision For Corporate Social Responsibility (CSR)	0.23	0.31
Investment written off	0.33	-
Loss On Sale Of Fixed Asset	0.47	-
Testing & Inspection Charges	0.48	1.33
Miscellaneous Expenses	2.35	7.43
	81.36	159.61



FURNACE FABRICA (INDIA) LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
NOTE 26		
Calculation Of Earnings Per Share (EPS)		
Net Profit / (Loss) as per Statement of Profit and Loss (₹ in Crores)	(39.93)	6.96
Weighted Average Number of Equity Shares of ₹ 10 Each Fully Paid Up	1,00,00,000	1,00,00,000
Earnings Per Equity Share of ₹10 Each:		
Basic (₹)	(39.93)	6.96
Diluted (₹)	(39.93)	6.96
NOTE 27		
Contingent Liabilities Not Provided For		
Bank Guarantees Issued By The Bank On Behalf Of The Company	189.24	212.87
Letters Of Credit Opened By The Bank On Behalf Of The Company	4.04	20.75
Claims Against Company Not Acknowledge As Debt	21.28	22.91
	214.56	256.53
NOTE 28		
CIF Value Of Imports		
Raw Materials	-	6.44
	-	6.44

Consumption of Raw materials & Spares during the year :

Particulars	Year Ended 31st March, 2021		Year Ended 31st March, 2020	
	(₹ in Crores)	%	(₹ in Crores)	%
Raw materials :				
-Imported	-	0.00%	6.44	6.03%
-Indigenous	55.62	100.00%	100.24	93.97%
	55.62	100.00%	106.68	100.00%
Spares :				
-Imported#	-	0.00%	0.01	1.00%
-Indigenous	0.19	100.00%	0.71	99.00%
	0.19	100.00%	0.72	100.00%

Goods consumed at foreign site have not been shown as imported.

NOTE 29
Auditors' Remuneration

-Statutory Audit	0.12	0.07
-Taxation Matters	-	0.02
	0.12	0.09

NOTE 30
Earnings / Expenditure In Foreign Exchange (On Accrual Basis)

Earnings :		
Export Sales on FOB basis (including CWIP)	5.80	111.11
Expenditure :		
Legal & Professional Fees	1.20	-
Interest & Bank Charges	-	0.03
Travelling & Others	0.02	0.14



FURNACE FABRICA (INDIA) LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
NOTE 31		
Disclosure in accordance with 'AS -7 Accounting for Construction Contracts' issued by the Institute of chartered Accountants of India:		
(i) Contract Revenue recognized	90.99	115.35
(ii) Contract Cost incurred and recognized profits	357.61	640.92
(iii) Progress Billing	266.63	525.57
(iv) Due from Customer	97.49	139.11
(v) Due to Customer	6.50	23.76

The Gross amount due from customers reflects the net amount for all contracts in progress for which cost incurred plus recognized profit (less recognized losses) exceeds progress billing.

The Gross amount due to customers reflects the net amount for all contracts in progress where progress billing exceeds cost incurred plus recognized profits (less recognized losses).

NOTE 32

Segment Reporting

1. Primary Segment :

Segments have been identified in line with Accounting Standards on Segment Reporting (AS 17) prescribed by companies (Accounting Standards) Rules, 2006 (as amended), taking into account the nature of products and services, the different risks and returns and the organizational structure. It has manufacturing locations in India only. Based on the dominant source and nature of risk and returns of the company, business segment has been identified as the primary segment. The company has only one business segment.

2. Secondary Segment Reporting By Geographical Segment :

Revenue By Geographical Market

India	228.78	271.32
Outside India	5.80	111.11
	234.58	382.43

Additions To Tangible Fixed Assets And Intangible Assets

India	0.48	0.64
Outside India	-	-
	0.48	0.64

Carrying Amount Of Segment Assets (fixed assets and intangible assets)

India	71.92	81.81
Outside India	0.16	0.18
	72.08	81.99

NOTE 33

Information On Foreign Currency Exposure:

The details of foreign currency exposure that is not hedged by derivative instruments are as under:

Foreign Currency (FC)	Year Ended 31st March, 2021		Year Ended 31st March, 2020	
	Amount in FC	₹ in Crores	Amount in FC	₹ in Crores
A. Receivables				
EUR	16,03,751	13.79	16,03,751	13.32
USD	37,19,304	27.24	32,09,244	24.19
GBP	41,685	0.42	41,685	0.39
B. Payables				
EUR	1,33,517	1.15	6,94,819	5.77
USD	11,942	0.09	5,41,462	4.08



FURNACE FABRICA (INDIA) LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE 34

Related Party Disclosures

LIST OF RELATED PARTIES:

a. Individual having direct Interest in Voting rights that gives control / significant influence/relatives/directors/KMP

- Mr.A.Basheeruddin
- Dr.B.Prasad
- Mr.Shashikiran Prasad (up to 08-Jan-2020)
- Mr.Raiz Basheeruddin
- Mrs. Nezee Basheeruddin
- Mrs.Sudha Prasad
- Mrs.Archana Prasad
- Dr.Sanam Basheerudin
- Mr. M Shajahan
- Mr. Sushil Bhattar (upto 12/08/2020)
- Mr. Balraj Kishor Namdeo (From 01/01/2021)

b. Subsidiary Company

- Furnace Fabrica FZC, UAE (Upto February 09, 2020)
- Pacific Refractories Limited
- Furnace Fabrica International Limited

c. Company / Firm in which Directors/relatives have significant influence / Control

- Polyceramic Industries (Firm)
- Furnace Fabrica Company Zambia Limited, Zambia
- Begg Cousland Private Limited
- City Hospital Pvt Ltd
- MFAR Developers Pvt Ltd
- M Far Constructions Private Limited
- Lebracs Rubber Lining Private Limited

d. Joint Venture

- FFIL - RIL JV

The details of material transactions with the related parties during the year and year end balances are as under:

(₹ in crores)

Nature of Transactions	Subsidiary Company / Joint Venture	Companies/ Firms over which Directors or Relatives are able to exercise control/ significant Influence	Key Management Personnel/Individuals/ Relatives	Total (31-March-2021)
Loans and Advances taken	2.52		1.74	4.26
	(10.78)		(-)	(10.78)
Pacific Refractories Limited	2.52			
	(-)			
Furnace Fabrica International Limited	(10.78)			
Dr Sanam			1.44	
			(-)	
			0.30	
			(-)	
Loans and Advances given	15.94	-	-	15.94
	(1.21)	(1.17)	(0.05)	(2.43)
Furnace Fabrica International Limited	15.63			
	(1.21)			
FFIL RIL JV	0.31			
	(-)			
Mfar Construction Private Limited		-		
		(0.25)		
Advances For Goods & Services				
Lebracs Rubber Lining Private Limited		-		
		(0.92)		
Repayment of Advances Taken	8.60	-	-	8.60
	(6.74)	(0.02)	-	(6.76)
Begg Cousland Private Limited	-	-		
		(0.02)		
Pacific Refractories Limited	(1.43)			
FFIL RIL JV	3.39			
	(5.31)			
Furnace Fabrica International Limited	2.70			
	(-)			
Repayment of Advances Given	2.51		0.49	3.00
	(-)		(-)	(-)
Pacific Refractories Limited	2.51			
	(-)			
Mr.A. Basheeruddin			0.49	
			(-)	



FURNACE FABRICA (INDIA) LIMITED				
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021				
Nature of Transactions	Subsidiary Company / Joint Venture	Companies / Firms over which Directors or Relatives are able to exercise control / significant Influence	Key Management Personnel / Individuals / Relatives	Total (31-March-2021)
Purchases	1.07	2.79		3.86
	(3.09)	(0.70)		(3.79)
Pacific Refractories Limited	0.21			
	(1.64)			
Begg Cousland Private Limited		-		
		(0.43)		
Furnace Fabrica International Limited	0.86			
	(1.44)			
Lebracs Rubber Lining Private Limited		2.79		
		(0.27)		
Sales	-	-		-
	(17.35)	(4.70)		(22.05)
Lebracs Rubber Lining Private Limited		-		
		(4.70)		
Furnace Fabrica International Limited	-			
	(17.35)			
Mfar Construction Private Limited				
Services Rendered / Income	34.45			34.45
	(35.97)			(35.97)
FFIL -RIL JV	34.45			
	(35.97)			
Services Received / Expenses		-	0.09	0.09
		(0.17)	(0.51)	(0.68)
Mfar Construction Private Limited		-		
		(0.17)		
Sushil Bhatler		-	0.09	
			(0.51)	
Director's Remuneration			0.39	0.39
			(0.51)	(0.51)
Mr.A Basheeruddin			0.23	
			(0.30)	
Mr.Raiz Basheeruddin			0.16	
			(0.21)	
Balances outstanding as at the end of the year				
Debit Balances				
Loans & Advances Receivables	24.44	0.97	0.60	26.01
	(9.77)	(0.73)	(1.06)	(11.56)
Deposits Given			1.00	1.00
			(1.00)	(1.00)
Trade Receivables	6.87	9.49		16.36
	(21.98)	(10.32)		(32.30)
Credit Balances				
Loans & Advances Payables	13.64	5.03	4.53	23.20
	(13.24)	(5.03)	(2.74)	(21.02)
Trade Payables	1.34	0.46	-	1.80
	(4.14)	(-)	(0.06)	(4.20)

Notes :

- 1) Related Parties are identified by management and relied upon by auditors.
- 2) The names of the related parties are disclosed under each nature of transaction where the transaction with single party is 10% or more of relevant nature of transactions during the current year.
- 3) Previous year's figures are shown in bracket



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE 35

Particulars with respect to Defined Benefit Plans of the Company :

The disclosures required under Revised Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006. Provision for gratuity is as summarized below (made on actuarial valuation statement provided by Life Insurance Corporation of India)

(₹ In crores)

SN	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
		31st March 2021	31st March 2021	31st March 2020	31st March 2020
a.	Reconciliation of opening and closing balances of Defined Benefit obligation				
	Defined Benefit obligation at the beginning of the year	2.16	0.56	1.30	0.58
	Current Service Cost	0.27	0.31	0.27	0.34
	Past Service Cost	-	-	-	-
	Interest Cost	0.14	0.04	0.10	0.04
	Actuarial (gain) / loss	(0.47)	(0.15)	0.61	(0.37)
	Benefits paid	(0.03)	(0.04)	(0.12)	(0.03)
	Defined Benefit obligation at the year end	2.07	0.72	2.16	0.56
b.	Reconciliation of opening and closing balances of fair value of plan assets				
	Fair value of plan assets at beginning of the year	0.49	-	0.56	-
	Adjustment to Opening Balance	(0.00)	-	-	-
	Expected return on plan assets	0.04	-	0.05	-
	Actuarial gain/(loss)	(0.01)	-	(0.03)	-
	Employer contribution	-	0.04	0.03	0.03
	Benefits Paid	(0.03)	(0.04)	(0.12)	(0.03)
	Fair value of plan assets at the year end	0.49	-	0.49	-
c.	Reconciliation of fair value of assets and obligations				
	Fair value of plan assets as at Year End	-	-	0.50	-
	Present value of obligation as at Year end	2.06	0.71	2.15	0.56
	Amount recognised in Balance Sheet	(2.06)	(0.71)	(1.65)	(0.56)
d.	Expenses recognised during the year				
	Current Service Cost	0.27	0.31	0.27	0.34
	Interest Cost	0.14	0.04	0.10	0.04
	Expected return on plan assets	(0.04)	-	(0.05)	-
	Actuarial (gain) / loss	(0.46)	(0.15)	0.64	(0.37)
	Net Cost	(0.09)	0.20	0.96	0.01
e.	Investment Details				
	LIC Group Gratuity Scheme (Cash Accumulation) Policy	-	-	-	-
f.	Actuarial Assumptions				
	Mortality Table (L.I.C)	IALM(2012-14) Uit.		IALM(2012-14) Uit.	
	Method Used	Projected Unit Credit Method		Projected Unit Credit Method	
	Discount rate (per annum)	6.71%	6.77%	6.77%	6.77%
	Expected rate of return on plan assets (per annum)	8.00%	8.00%	8.00%	8.00%



FURNACE FABRICA (INDIA) LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021
NOTE 36
Long Term Borrowings

Particulars	Security	Terms of Repayment	As at 31 March, 2021		As at 31 March, 2020	
			Non Current	Current	Non Current	Current
(a) Term Loan SECURED -From Banks						
Commercial Equipment Loan HDFC Bank Limited	Secured - Exclusive charge on Batch Plant (Nalco Project)	Payable in equal monthly installments upto June 2023	0.10	0.06	0.14	0.05
Working Capital	Secured - extension of charge over the existing primary and collateral securities	Payable in equal monthly installments upto January 2026	4.71	0.10		
			4.81	0.16	0.14	0.05
-From others						
Corporate / Working Capital	Secured - First & Exclusive Charge by way of Mortgage on property situated at City Hospital Cochin and exclusive charge on equipment of City Hospital Pvt Ltd	Payable in equal monthly installments upto March 2026	27.51	3.17	26.00	8.00
			32.32	3.33	26.14	8.05
(b) Vehicle Loans						
-From Banks	Secured - Hypothecation of Individual assets.	Payable in Monthly Installments upto May 2025	0.05	0.03	0.06	0.06
-From Others	Secured - Hypothecation of Individual assets.	Payable in Monthly Installments upto October 2023	0.03	0.01	0.04	0.01
			0.08	0.04	0.11	0.08
Total			32.40	3.38	26.25	8.13



FURNACE FABRICA (INDIA) LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

NOTE 37

VALUE OF CURRENT ASSETS, LOANS AND ADVANCES

- a) In the opinion of the management, current assets, loans and advances have realisation in the ordinary course of business at least equal to the amount at which they are stated.
- b) The balances of certain receivables or payables are subject to confirmation or reconciliation and the management is of the view that will not be any impact thereof on financial statements.

NOTE 38

The contract work in progress of ₹ 92.03 Crores as at March 31, 2021 consists of mainly the cost incurred including in past years cost incurred by the company and applicable margin thereon due to non-billing on its project clients on account of milestones not achieved as per the terms of contracts and due to COVID-19 uncertainty. These costs and margins recognized by the company are fully billable and recoverable in view of the management as per the past practice and accordingly no provision for impairment thereof is considered

NOTE 39

Due to uncertainty regarding the duration and extent of COVID 19 Outbreak declared by the Central Government and State Government, the Company cannot fully estimate the final impact from the COVID 19 which could be material.

Operating performance in fiscal 2021 was impacted following measures taken by various state governments as well as central government towards containment of COVID-19 which included temporary closure of non-critical establishments, inter-state transportation etc. along-with severe restrictions on travel. Execution of the projects was impacted by the lockdown announced by the central government. The supply chain was temporarily disrupted, and sales volume has been affected adversely due to decline in demand for prolonging global pandemic. Since these measures were imposed at a broader level and across sectors, they have impacted the business profile of the company. The ability of the business to revert back to operational stability and any relief measures given by the government can not be ascertained. The Company has been experiencing working capital issues and facing cash flow restrictions due to disruption in work, movement of labour and breakdown of the supply chains. Ongoing and expected construction projects were severely effected due to lockdown conditions brought about by the threat of COVID-19.

NOTE 40

OPERATING LEASE

- (i) The company has taken commercial land under cancellable operating leases. The lease agreements are usually renewable by mutual consent on mutually agreeable terms.
- (ii) The expenses in respect of operating leases are accounted in Other Expenses under Note 26.

NOTE 41

As per Sec.135 of the Companies Act'2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the company was required to spend 2% of the average net profit of 3 years during the year for the activities provided in the said rules and regulations. The company has not spent on CSR as stipulated and however company has made provision.

NOTE 42

The Figures wherever applicable has been shown as net where the right to set off exist.

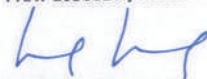
NOTE 43

PREVIOUS YEAR FIGURES

Previous year's figures have been re-grouped/re-classified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For R V Luharuka & Co LLP
Chartered Accountants
FRN: 105662W/W100174


Ramesh Luharuka

Partner
M.NO. 031765



Mumbai
Dated : March 17, 2022

For and on behalf of the Board


A. Basheeruddin
Managing Director


Nezee Basheeruddin
Director


Jigna Gala
Company Secretary

