

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ISGEC REDECAM ENVIRO SOLUTIONS PRIVATE LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Isgec Redecam Enviro Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2018, the Statement of cash flows and the Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

**Opinion**

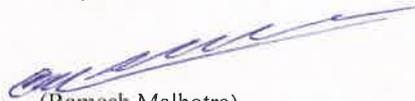
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the financial position of the company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss, the statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - 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 K.C.Malhotra & Co.**  
Chartered Accountants  
(Regn.No.000057N)

  
(Ramesh Malhotra)  
Membership No.013624  
Place: New Delhi  
Date: 25.5.2018



**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

R-79, GREATER KAILASH-I,  
NEW DELHI- 110 048 (INDIA)  
Phone: + 91-11-41608133, 26418337  
E.mail: rcm\_kcm\_malhotra@yahoo.co.in

**Annexure 'A' to Auditors' Report**

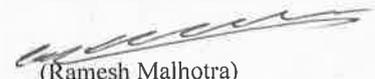
**The annexure referred to in Independent Auditor's Report of even date to the members of Isgec Redecam Enviro Solutions Private Limited on the standalone financial Statements as of and for the year ended 31<sup>st</sup>.March,2018**

- I The Company does not have any tangible assets as at March 31, 2018 and, accordingly, the requirements under paragraph 4(i) of the Order are not applicable to the Company and hence not been commented upon.
- ii The Company's business does not involve inventories and accordingly the requirements paragraph 4(ii) of the Order are not applicable to the Company and hence not been commented upon.
- iii According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v The Company has not accepted any deposits from the public.
- vi Maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013
- vii a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, duty of custom, duty of excise, value added tax, are not applicable to the company.  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, sales-tax, value added tax, duty of custom, cess, employee state insurance and duty of excise are not applicable to the company.  
c) According to the information and explanations given to us, there are no dues of income tax, service tax and goods and service tax, cess which have not been deposited on account of any dispute. The provisions relating to provident fund, Employees state insurance sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- viii The Company did not have any outstanding dues from banks, financial institutions, debenture holders or government.
- ix Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer) and term loans hence, reporting under clause (ix) of the order is not applicable to the Company and hence not commented upon.
- x Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the Company by the officers and employees of the company has been noticed or reported during the year.



- xi The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.
- xii In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence provisions of clause 3(xiv) are not applicable and not commented upon.
- xv Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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.
- xvi According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No.000057N)



(Ramesh Malhotra)  
Partner  
Membership No:013624  
Place:New Delhi  
Date: 25.5.2018



**Annexure B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Isgec Redecam Enviro Solutions Private limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2018.

**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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No.000057N)

  
(Ramesh Malhotra)  
Partner  
Membership No: 013624  
Place :New Delhi  
Date: 25.5.2018



**Isgec Redecam Enviro Solutions Private Limited**

CIN: U29308HR2017PTC067285

**Balance Sheet as at 31st.March,2018**

(IN INR)

	Note	31st.March,2018	31st.March,2017
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment		-	-
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others	3 (a)	25,000	25,000
(c) Deferred tax assets (net)	3 (b)	14,23,532	5,686
(d) Other non - current assets	3 (c)	-	3,63,334
<b>Total non-current assets</b>		<b>14,48,532</b>	<b>3,94,020</b>
<b>Current assets</b>			
(a) Inventories		-	-
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables	3 (d)	93,60,643	-
(iii) Cash and cash equivalents	3(e)	2,52,70,111	1,96,17,705
(iv) Loans	3 (f)	83,839	-
(v) Others (to be specified)	3 (a)	27,912	34,616
(c) Current tax assets (net)	3 (g)	1,02,854	3,848
(d) Other current assets	3(c)	36,17,146	-
<b>Total current assets</b>		<b>3,84,62,505</b>	<b>1,96,56,169</b>
<b>Total assets</b>		<b>3,99,11,037</b>	<b>2,00,50,189</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	4(a)	2,00,00,000	2,00,00,000
(b) Other equity	4(b)	(38,83,703)	(13,350)
<b>Total equity</b>		<b>1,61,16,297</b>	<b>1,99,86,650</b>
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities excl. provisions		-	-
(b) Provisions	7	6,482	-
(c) Deferred tax liabilities (net)		-	-
(d) Other non - current liabilities		-	-
<b>Total non-current liabilities</b>		<b>6,482</b>	<b>-</b>
<b>Current liabilities</b>			
(a) Financial liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables	5	1,13,76,692	63,539
(iii) Other financial liabilities		-	-
(b) Other current liabilities	6	1,23,05,252	-
(c) Provisions	7	1,06,314	-
(d) Current tax liabilities (net)		-	-
<b>Total current liabilities</b>		<b>2,37,88,258</b>	<b>63,539</b>
<b>Total equity and liabilities</b>		<b>3,99,11,037</b>	<b>2,00,50,189</b>

The accompanying notes form an integral part to the financial statements

In terms of our report of even date

For K.C.Malhotra & Co.

Chartered Accountants

(Firm Registration No. - 000057N)

(Ramesh Malhotra)

Partner

Membership No. 013624

Place: New Delhi

Date: 25-05-2018

For and on behalf of Board of directors

(Suman Kumar Jain)

Director

DIN: 07045002

Niccolo Garfani

Director

DIN: 06433739



Isgec Redecam Enviro Solutions Private Limited  
CIN: U29308HR2017PTC067285

Statement of profit and loss for the Year Ended 31st March 2018

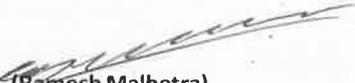
(IN INR)

Income	Note	For the year ended 31st.March,2018	For the period from 1st.February,2017 to 31st.March,2017
Revenue from operations	8	1,46,53,198	-
Other Income	9	10,23,357	38,464
<b>Total income</b>		<b>1,56,76,555</b>	<b>38,464</b>
<b>Expenses</b>			
Purchase of goods for resale	10	1,33,62,614	-
Other expenses	11	76,02,140	57,500
<b>Total expenses</b>		<b>2,09,64,754</b>	<b>57,500</b>
<b>Profit/(Loss) before tax</b>		<b>(52,88,199)</b>	<b>(19,036)</b>
Income tax expense			
(a)Current tax		-	-
(b)Deferred tax		14,17,846	5,686
<b>Profit /(loss) for the year</b>		<b>(38,70,353)</b>	<b>(13,350)</b>
Other comprehensive income		-	-
<b>Total comprehensive income /(Loss)for the year</b>		<b>(38,70,353)</b>	<b>(13,350)</b>
Earnings per equity share			
Basic & Diluted	12	(1.935)	(0.0007)

The accompanying notes form an integral part to the financial statements

In terms of our report of even date  
For K.C.Malhotra & Co.  
Chartered Accountants  
(Firm Registration No. - 000057N)

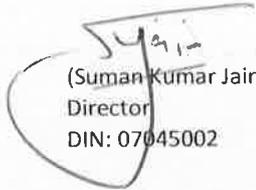
For and on behalf of Board of directors

  
(Ramesh Malhotra)

Partner  
Membership no. - 013624  
Place: New Delhi

Date: 25-05-2018



  
(Suman Kumar Jain)  
Director  
DIN: 07045002

  
Niccolo Griffini  
Director  
DIN: 06433739

**Isgec Redecam Enviro Solutions Private Limited**  
**CIN: U29308HR2017PTC067285**

**Cash flow statement for the year ended 31st.March.,2018**

(IN INR)

	Note	31st.March,2018	31st.March,2017
<b>Cash flow from operating activities</b>			
Profit before tax		(52,88,199)	(19,036)
Adjustment to reconcile the profit before tax to net cash flows		-	-
Provision for warranty		1,12,796	-
Preliminary expenses written off		3,63,334	-
Interest income	9	(10,23,357)	-
<b>Operating /(loss) before working capital changes</b>		<b>-58,35,426</b>	<b>-19,036</b>
<b>Change in operating assets and liabilities</b>			
Increase in other Non-current financial assets		-	(25,000)
Increase/(decrease) in other Non-current assets		-	(3,63,334)
Increase/(decrease) in trade receivables	3(d)	(93,60,643)	-
Increase/(decrease) in loans	3(f)	(83,839)	-
Decrease /(increase)in other current financial assets	3(a)	6,704	(34,616)
Increase/(decrease) in current tax assets(net)	3(g)	(99,006)	(3,848)
Decrease /(increase)in other current assets	3(c)	(36,17,146)	-
Increase /(decrease)in Trade payables	5	1,13,13,153	63,539
Increase /(decrease)in other current liabilities	6	1,23,05,252	-
<b>Cash generated /(used in) from operating activities</b>		<b>46,29,049</b>	<b>(3,82,295)</b>
Direct taxes paid		-	-
<b>Net Cash generated/(used in) operating activities (A)</b>		<b>46,29,049</b>	<b>(3,82,295)</b>
<b>Cash flow from Investing activities</b>			
Interest income		10,23,357	-
<b>Net Cash generated/(used in) investing activities (B)</b>		<b>10,23,357</b>	<b>-</b>
<b>Cash flow from financing activities:</b>			
Proceeds of equity shares capital		-	2,00,00,000
<b>Net Cash from financing activities (C)</b>		<b>-</b>	<b>2,00,00,000</b>
<b>Net increase (decrease) in cash and cash equivalents(A+B+C)</b>		<b>56,52,406</b>	<b>1,96,17,705</b>
Cash and cash equivalents at the beginning of the year	3(e)	1,96,17,705	-
Cash and cash equivalents at the end of the year	3(e)	2,52,70,111	1,96,17,705

The accompanying notes form an integral part to the financial statements

In terms of our report of even date  
**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Registration No. - 000057N)

**For and on behalf of Board of directors**

(Ramesh Malhotra)  
Partner  
Membership no. - 013624  
Place: New Delhi  
Date: 25-05-2018

(Suman Kumar Jain)  
Director  
DIN: 07045002

Niccolo Griffini  
Director  
DIN: 06433739



**Isgec Redecam Enviro Solutions Private Limited**  
**Notes to financial statements for the year ended 31st.March,2018**

**Statement of changes in equity**

**A : Equity share capital**

(IN INR)

As at 1st.April,2016	-
Changes in equity share capital	2,00,00,000
As at 31st.March,2017	2,00,00,000
Changes in equity share capital	-
As at 31st.March,,2018	2,00,00,000

**B: Other equity**

(IN INR)

Particulars	Reserves and surplus
	Retained Earnings
As at 1st.April,2016	
Profit for the period	(13,350)
<b>Total comprehensive income/(Loss)</b>	<b>(13,350)</b>
As at 31st.March,2017	<b>(13,350)</b>
<b>Balance as at 01st.April, 2017</b>	<b>(13,350)</b>
Profit/(Loss) for the year	(38,70,353)
<b>Total comprehensive income/(Loss)</b>	<b>(38,83,703)</b>
As at 31st.March,,2018	<b>(38,83,703)</b>

The accompanying notes form an integral part to the financial statements

**For K.C.Malhotra & Co.**

Chartered Accountants

(Firm Registration No.- 000057N)

**For and on behalf of Board of directors**

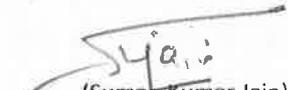
  
(Ramesh Malhotra)

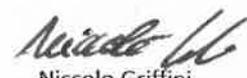
Partner

Membership No. 013624

Place: New Delhi

Date: 25-05-2018

  
(Suman Kumar Jain)  
Director  
DIN: 07045002



Niccolo Griffini

Director

DIN: 06433739



## **Isgec Redecam Enviro Solutions Private Limited**

### **Note 1 : Overview**

The company is a private limited company domiciled in India with its registered office at Radaur Road, Yamunanagar - 135001, Haryana, and is incorporated on 1<sup>ST</sup> February, 2017 under the provisions of the companies act, 2013 as applicable in India as a joint venture between Isgec Heavy engineering Limited and Isgec Redecam Enviro Solutions Private limited, Italy.

The company is engaged in engineering business will principally undertake the activity of fabrication, design, manufacture, sale, purchase, export, import, supply, sourcing, testing and commissioning and undertake research and development and or otherwise deal in all types of environment solutions machines and equipments including bag filters and hybrid filters for all industries. The Company has started its commercial operations in the financial year 2017-18.

### **Note 2 : Significant accounting policies**

#### **(a) Basis of preparation**

##### **(i) Compliance with IND AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below (as applicable).

#### **(b) Current versus Non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is classified as current when it is :

- \* expected to be realised in normal operating cycle,
- \* Held primarily for the purpose of the trading,
- \* Expected to be realised within twelve months after the reporting period, or
- \* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



**Isgec Redecam Enviro Solutions Private Limited**  
**Significant accounting policies contd.**

A liability is classified as current when:

- \*it is expected to be settled in normal operating cycle,
- \*it is held primarily for the purpose of the trading,
- \*it is due to be settled within twelve months after the reporting period, or
- \*there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(c) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposit with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(d) Provisions, Contingent Liability and Contingent Assets**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits has become probable.

Contingent liabilities are not recognised but are disclosed in Notes.

A contingent asset is not recognized but disclosed when an inflow of economic benefits is probable.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity.



**Isgec Redecam Enviro Solutions Private Limited**  
**Significant accounting policies contd.**

**(e) Income tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. However, No provision for tax has been made, as there is no assessable income for the year.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable profit will be available to utilize those temporary differences and the carry forward of unused tax credits and unused tax losses.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit and loss, except to the extent that it relates to items recognized in comprehensive income or directly in equity. In this case, tax is also recognized in other comprehensive income or directly in equity, respectively.

**(f) Revenue recognition**

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is recognized using the bank deposit rates which is considered to be effective rate of interest.

The effective rate of interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the



## **Isgec Redecam Enviro Solutions Private Limited**

### **Significant accounting policies contd.**

contractual terms of the financial instrument (For example prepayments, extension, call and similar options) but does not consider the expected credit losses.

#### **(g) Earning per share (EPS)**

Basic EPS amounts are calculated by dividing the profit/(Loss) for the year attributable to equity holders of the company by the Weighted average number of Equity shares outstanding during the year.

#### **( ) Financial instruments**

##### **(i) Measurement**

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### **Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

**\*Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit and loss when the asset is derecognized or impaired these. Interest income from these financial assets is included in finance income using the effective interest rate method.

**\*Fair value through other comprehensive income(FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI ,except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate.

**\*Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A



## **Isgec Redecam Enviro Solutions Private Limited Significant accounting policies contd.**

gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gain/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### **(ii) Impairment of financial assets**

In accordance with IND-AS 109, the company applies expected credit loss (ECL) mode for measurement and recognition of impairment loss on financial assets and credit risk exposures.

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables and bank balance. Financial assets that are debt instruments and are measured as at FVTOCI

The company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its recognition.

### **(iii) Derecognition**

#### **Financial assets**

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients when the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



**Isgec Redecam Enviro Solutions Private Limited**  
**Significant accounting policies contd.**

**(i) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**(j) Trade payables**

The amount represents liabilities for services provided to the company prior to the end of the period which are unpaid. The amounts are unsecured non-interest bearings and are usually paid within 60 days of recognition. They are recognized at amortised cost, and the carrying amounts are reasonable approximation of fair value.

**(k) Standards issued but not yet effective upto the date of issuance of the company's financial**

The new standards, interpretations and amendments to standards that are issued, but not yet effective, upto the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

**IND As 115 Revenue from contracts with customers**

In February, 2015 IND AS 115-Revenue from contracts with customers was issued. The standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IND AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is applicable to all entities and will supersede all current recognition requirements under IND AS. The effective date is from accounting period beginning on or after 1<sup>st</sup>.April, 2018. The company is currently evaluating the requirements of IND AS 115, and has not yet determined the impact on the financial statements.



**Isgec Redecam Enviro Solutions Private Limited**  
**Notes to financial statements for the year ended 31st.March,2018**

**Note :3 (a) Other financial assets**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non-current	Current	Non-current	Current
Security deposit*	25,000	-	25,000	-
Interest accrued but not due	-	27,912	-	34616
<b>Total other financial assets</b>	<b>25,000</b>	<b>27,912</b>	<b>25,000</b>	<b>34,616</b>

\* In favour of the Assistant Commissioner Commercial Tax,Noida

**Note 3 (b) : Deferred tax assets / liabilities (net)**

The balance comprises temporary difference attributable to :

(IN INR)

Particulars	31st.March,2018	31st.March,2017
Deferred tax asset		
Tax losses	13,48,685	5,686
Preliminary expenses	74,847	-
<b>Total deferred tax assets</b>	<b>14,23,532</b>	<b>5,686</b>
Deferred tax liabilities	-	-
<b>Net Deferred tax assets / (Liabilities)</b>	<b>14,23,532</b>	<b>5,686</b>

**Movements in Deferred tax assets /Liabilities)**

(IN INR)

	Tax losses	Total
Deferred tax assets		
As at 1st.April,2017	5,686	5,686
(Charged) /Credited to profit and loss	14,17,846	14,17,846
<b>As at 31st.March,2018</b>	<b>14,23,532</b>	<b>14,23,532</b>

The company has recognised deferred tax assets on carried forward losses. The company is expected to generate taxable income in future years.The losses can be carried forward for a period of eight years and the company expects to recover the losses.

**Note 3 (c) : Other assets**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non-current	Current	Non-current	Current
Advance to suppliers	-	30,35,169	-	-
Balance with Govt. authorities	-	5,81,977	-	-
Unamortized preliminary expenses	-	-	3,63,334	-
<b>Total other assets</b>	<b>-</b>	<b>36,17,146</b>	<b>3,63,334</b>	<b>-</b>



**Isgec Redecam Enviro Solutions Private Limited**  
Notes to financial statements for the year ended 31st.March,2018

**Note 3 (d) : Trade receivables**

(In INR)

Particulars	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
Unsecured considered good				
Trade receivables				
- Related party	-	23,81,400	-	-
- Others	-	69,79,243	-	-
<b>Total Trade receivables</b>	-	<b>93,60,643</b>	-	-

No trade or other receivables are due from directors or other officers of the company either severally or jointly with other person nor are any trade or other receivables due from firms or private companies respectively in which any director is a partner or a director.

**Note 3 (e) : Cash and cash equivalents**

(In INR)

Particulars	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
Balances with banks				
-in current account	-	1,09,58,773	-	16,17,705
Bank fixed deposit with maturity of less than twelve months *	-	1,42,93,890	-	1,80,00,000
Cash In Hand	-	17,448	-	-
<b>Total cash and cash equivalents</b>	-	<b>2,52,70,111</b>	-	<b>1,96,17,705</b>

\* Cash at bank earns interest at bank deposit rates

**Note 3 (f) : Loans**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non-current	Current	Non-current	Current
Unsecured considered good				
Other Advance	-	83,839	-	-
<b>Total Loans</b>	-	<b>83,839</b>	-	-

**Note 3 (g) : Current tax assets (net)**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non-current	Current	Non-current	Current
Prepaid taxes	-	1,02,854	-	3,848
Less: Provision for tax	-	-	-	-
<b>Total current assets (net)</b>	-	<b>1,02,854</b>	-	<b>3,848</b>



**Isgec Redecam Enviro Solutions Private Limited**  
**Notes to financial statements for the year ended 31st.March, 2018**

**Note 4 (a) : Equity share capital**

(In INR)

	Number of shares	Amount
<b>Authorised equity share capital with voting rights</b>		
As at 31st.March,2017	20,00,000	2,00,00,000
Increase during the year	-	-
<b>As at 31st.March,2018</b>	20,00,000	2,00,00,000
<b>Issued equity capital with voting rights</b>		
Equity shares of Rs 10 each issued, subscribed and fully paid	20,00,000	2,00,00,000
As at 31st.March,2017	20,00,000	2,00,00,000
Changes during the year	-	-
<b>As at 31st.March,2018</b>	20,00,000	2,00,00,000

**(i) Terms and rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible to one vote per share held. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of the preferential amounts, in proportion to their shareholding.

**(ii) Shares of the company held by holding company**

Particulars	31st.March,2018	31st.March,2017
Isgec Heavy Engineering Limited *	51%	51%

\* Isgec Redecam Enviro Solutions Private Ltd. is a joint venture between Isgec Heavy Engineering Limited and Redecam group S.P.A., Italy vide Joint venture agreement dated 8th.November,2016. However, in view of the definition provided in the Companies Act,2013 and as per guidance in the Indian Accounting Standards notified under Companies (Indian Accounting Standards) Rules,2015 the company is considered as subsidiary of Isgec Heavy Engineering Limited.

**(ii) Detail of share holders holding more than 5% shares in the company**

Particulars	31st.March,2018		31st.March,2017	
	Number of shares	% of holding	Number of shares	% of holding
Isgec Heavy Engineering Limited	10,20,000	51%	10,20,000	51%
Redecam Group S.P.A.	9,80,000	49%	9,80,000	49%
	20,00,000	100%	20,00,000	100%



**Isgec Redecam Enviro Solutions Private Limited**  
**Notes to financial statements for the year ended 31st.March,2018**

**Other equity**

**4 (b) Reserves and surplus**

(IN INR)

Particulars	31st.March,2018	31st.March,2017
Retained earnings (i)	(38,83,703)	(13,350)
<b>Total reserves and surplus</b>	<b>(38,83,703)</b>	<b>(13,350)</b>

**(i) Retained earnings**

(IN INR)

Particulars	31st.March,2018	31st.March,2017
Opening balance	(13,350)	-
Profit / (Loss) for the year	(38,70,353)	(13,350)
<b>Closing balance</b>	<b>(38,83,703)</b>	<b>(13,350)</b>



**Isgec Redecam Enviro Solutions Private Limited**  
**Note to financial statements for the year ended 31st.March,2018**

**Note 5 : Trade payables**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
Dues to Micro,small and medium enterprises (refer note 5.1)				
Payables other than MSME -Related parties	-	46,58,749	-	-
-Other parties	-	67,17,943	-	63,539
<b>Total Trade payables</b>		<b>1,13,76,692</b>		<b>63,539</b>

**Note 5.1 : Disclosures as per Micro,Small and Medium Enterprises Development Act,2006 (MSMED)**

Particulars	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
Amount remaining unpaid to any supplier as at year end	-	-	-	-
-Principal amount remaining unpaid	-	-	-	-
Interest due thereon	-	-	-	-
Principal amount paid to suppliers beyond the appointed date during the year				
Interest paid other than Section 16 of MSMED Act to suppliers beyond the appointed date during the year	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers beyond the appointed date during the year	-	-	-	-
Interest due and payable towards suppliers for payments already made	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

**Note 6 : Other current liabilities**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
Statutory Dues	-	4,90,033	-	-
Advance from Customers				
-Related party	-	1,04,84,000	-	-
- Others	-	13,31,219	-	-
<b>Total other current liabilities</b>	-	<b>1,23,05,252</b>	-	-

**Note 7 : Provisions**

(IN INR)

Particulars	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
Provision for warranty *(refer note 7.1)	6,482	1,06,314	-	-
<b>Total Provisions</b>	<b>6,482</b>	<b>1,06,314</b>	-	-

\*Provision is made for the estimated warranty claims and after sales services in respect of products sold.

**Note 7.1 : Movement of provision for warranty**

Narture of provisions	31st.March,2018		31st.March,2017	
	Non- Current	Current	Non- Current	Current
(a)Movement of provision for performance warranties/after sales services				
Carrying amount at the beginning of the year	-	-	-	-
Additional provision made during the year	6,482	1,06,314	-	-
Amount used during the year	-	-	-	-
Amount reversed during the year	-	-	-	-
Adjustment due to discounting	-	-	-	-
Carrying amount at the end of the year	<b>6,482</b>	<b>1,06,314</b>	-	-



Isgec Redecam Enviro Solutions Private Limited  
Notes to financial statements for the year ended 31st.March,2018

Note 8 : Revenue from Operations

(IN INR)

Particulars	For the year ended 31st.March,2018	For the period from 1st.February,2017 to 31st.March,2017
Resale of Machinery	1,46,53,198	-
<b>Total Revenue from operations</b>	<b>1,46,53,198</b>	<b>-</b>

Note 9 : Other income

(IN INR)

Particulars	For the year ended 31 March 2018	For the period from 1st February 2017 to 31st.March, 2017
Interest income	10,23,357	38,464
<b>Total other income</b>	<b>10,23,357</b>	<b>38464</b>

Note 10 :Purchase of goods for resale

(IN INR)

Particulars	For the year ended 31 March 2018	For the period from 1st February 2017 to 31st.March, 2017
Purchase of goods for resale	1,33,62,614	-
<b>Total Purchase of goods for resale</b>	<b>1,33,62,614</b>	<b>-</b>

Note 11 : Other expenses

(IN INR)

Particulars	For the year ended 31 March 2018	For the period from 1st February 2017 to 31st.March, 2017
Rates and taxes	9,140	-
Repairs and Maintenance (Computers)	1,41,705	-
Professional charges	9,67,171	-
Business support service	19,00,000	-
Printing and Stationary	26,440	-
Bank Charges	81,530	-
Travelling Expenses	8,12,806	-
Food and Beverages	4,438	-
Entertainment	39,561	-
Gift Expenses	1,546	-
Auditor's Remuneration *		
-Statutory audit fee	82,600	57,500
-Tax audit fee	29,500	-
Interest-late depo.of Inc. Tax	635	-
Freight and Packing Forwarding Expenses	3,31,982	-
Technical service charges	28,09,752	-
Preliminary expenses written off	363334	-
<b>Total other expenses</b>	<b>76,02,140</b>	<b>57,500</b>

\* Inclusive of GST of Rs 17,100



Isgec Redecam Enviro Solutions Private Limited  
Notes to financial statements for the year ended 31st.March.,2018

**Note 12 : Earnings per share (EPS)**

In accordance with IND - AS 33 on "Earning per share" ,the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per share:

Particulars	(IN INR)	
	For the year ended 31 March, 2018	For the period from 1st February 2017 to 31 March, 2017
Profit /(loss) attributable to equity shareholders	(38,70,353)	(13,350)
Weighted average number of equity shares	20,00,000	20,00,000
Nominal value of equity shares	10	10
Basic and Diluted earnings per share	(1.935)	(0.007)

**Note 13 : Income Tax expense**

Particulars	(IN INR)	
	For the year ended 31 March, 2018	For the period from 1st February 2017 to 31 March, 2017
a) Current tax	-	-
<b>Total current tax</b>	-	-
b) Deferred tax	14,17,846	5,686
<b>Total Deferred tax (benefit)</b>	<b>14,17,846</b>	<b>5,686</b>
<b>Total Income tax expense</b>	<b>14,17,846</b>	<b>5,686</b>

**Reconciliation of tax expense and accounting profit multiplied by tax rate**

Particulars	(IN INR)	
	For the year ended 31 March, 2018	For the period from 1st February 2017 to 31 March, 2017
Profit/(Loss) before tax	(52,88,199)	(19,836)
Tax @ 25.75% (30.90 % 2016-17)	-	-
Tax effect amounts which are not deductible in calculating taxable income /Loss)		
Deferred tax	14,17,846	5,686
<b>Income tax expense (benefit)</b>	<b>14,17,846</b>	<b>5,686</b>



Note 14 : Related Party transactions

(a) List of Related Parties

Name	Relationship during the year ended 31st.March,2018	Relationship during the period ended 31st.March,2017
Isgec Heavy Engineering Limited Redecam Group S.P.A.	Holding Company Major Sharholder	Holding Company Major Sharholder

(b) Transactions with related parties

The following transactions occurred with related parties

Particulars	Amount of transactions during the year ended 31st.march,2018	Amount of transactions during the period ended 31st.march,2017
(i) Issue of share capital - Isgec Heavy Engineering Limited - Redecam Group S.P.A.	-	1,02,00,000 98,00,000
(ii) Service charges - Isgec Heavy Engineering Limited* - Redecam Group S.P.A.	22,42,000 28,09,752	-
(iii) Sale of goods - Isgec Heavy Engineering Limited	24,30,000	-
KMP	NIL	NIL

\* Inclusive of GST

(c) Year End Balances of Related Parties

Name of related party	Accounts Affected	31st.March,2018	31st.March,2017
Isgec Heavy Engineering Limited	Trade Payable	21,38,401	-
Isgec Heavy Engineering Limited	Advance From Customers	1,04,84,000	-
Redecam Group S.P.A.	Trade Payable	25,20,348	-
Isgec Heavy Engineering Limited	Trade receivables	23,81,400	-

(d) Terms and conditions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arms's length transactions.Outstanding balances are the year end are unsecured and interest free and settlement occurs in cash. For the year ended 31st.March,2018,the company has not recorded any impairment of receivables relating to amount owed by the related party.



**Isgec Redecam Enviro Solutions Private Limited**  
**Notes to financial statements for the year ended 31st.March.2018**

**Note 15 : Fair value measurements**

Set below ,is a comparison by class of the carrying amounts and fair value of the company's financial Instruments other than those with carrying amounts that are reasonable approximation of fair values.

**Fair value measurements**

Financial Instruments by category		Carrying value		Fair value	
		31st.March,2018	31st.March,2017	31st.March,2018	31st.March,2017
		(IN INR)			
<b>Financial assets at amortised cost</b>					
Security deposits	3(a)	25,000	25,000	25,000	25,000
Interest accrued but not due	3(a)	27912	34,616	27912	34,616
Trade Receivables	3(d)	93,60,643		93,60,643	
Cash and cash equivalents	3(e)	2,52,70,112	1,96,17,705	2,52,70,112	1,96,17,705
Loans	3(f)	83,839		83,839	
<b>Total financial assets</b>		<b>3,47,67,506</b>	<b>1,96,77,321</b>	<b>3,47,67,506</b>	<b>1,96,77,321</b>
<b>Financial liabilities at amortised cost</b>					
Trade payables	5	1,13,76,692	63,539	1,13,76,692	63539
<b>Total financial liabilities</b>		<b>1,13,76,692</b>	<b>63,539</b>	<b>1,13,76,692</b>	<b>63539</b>

The carrying amounts of trade payables ,cash and cash equivalents and other financial assets are considered to be the same as their fair values due to their short term nature.

**Note 16 : Segment information**

The Company operates in only one segment of engineering business which comprises of sales of Engineering Equipment's, identified in accordance with principle enunciated in Indian Accounting Standard Ind AS-108, Segment Reporting. Hence, separate business segment information is not applicable.

The Director of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements



Note 17: Financial risk management

The company's financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to manage finances for the company's operations, and financial assets include trade and other receivables, cash and cash equivalents and other financial assets that are derived from its operations. The company is exposed to Market risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and derivative financial instruments.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet the obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed from its operating activities (primarily trade receivables) which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks. Investments primarily include certificates of deposits which are funds deposited at a bank for a specified time period. The board of directors reviews and agrees policies for managing each of these risks. The limits are set to minimise the concentration of risks, and therefore mitigate loss through counterparty's potential failure to make payments.

Trade receivables

Customer credit risk is managed by the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and an impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Trade receivables are written off when there is no reasonable expectations of recovery or failing to engage in a repayment plan with the company.

The ageing analysis of trade receivables (gross of provision) has been considered from the date of invoice falls due:

Ageing	(In INR)				
	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
<b>As at 31.3.2018</b>					
Gross carrying amount	9,04,500	84,56,143	-	-	99,60,643
Expected credit loss	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	9,04,500	84,56,143	-	-	93,60,643
<b>As at 31.3.2017</b>					
Gross carrying amount	-	-	-	-	-
Expected credit loss	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	-	-	-	-

(c) Liquidity risk

Liquidity risk is defined that the company will not be able to settle or to meet its obligation on time at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and its liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's liquidity position through rolling forecast on the basis of expected cash flows.

Maturities of financial liabilities

The following table summarises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	(In INR)		
	Less than 1 year	1 to 5 years	Total
<b>As at 31st.March,2018</b>			
Trade payables (note 5)	13,76,692	-	13,76,692
<b>Total</b>	<b>13,76,692</b>		<b>13,76,692</b>
<b>As at 31st.March,2017</b>			
Trade payables (note 5)	63,539	-	63,539
<b>Total</b>	<b>63,539</b>		<b>63,539</b>

Note 18: The company is not having any contingent liabilities, commitments and litigations as on 31st.March,2018

Note 19 : Figures relating to 31st.March,2017 has been regrouped/reclassified wherever necessary to make them comparable with the current year's figures

In terms of our report of even date  
For K.C.Malhotra & Co.  
Chartered Accountants  
(Firm Registration No. - 000057N)

(Ramesh malhotra)  
Partner  
Membership no. - 013624  
Place: New Delhi  
Date: 25-05-2018.

For and on behalf of Board of directors

(Suman Kumar Jain)  
Director  
DIN: 07045002

Niccolo Grillini  
Director  
DIN: 06433739

