

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying Ind AS Financial Statements of **ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at 31st March, 2018, the statement of profit and loss (including other comprehensive income), 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 (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the 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 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 judgment 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 Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 of the Ind AS financial statements in accordance with the Standards on Auditing 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 Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Ind AS financial statements, whether



due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place adequate internal financials control over financials reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the 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 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 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 31st March, 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 section 143 of the Act, we give in the Annexure-"A" statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by section 143(3) of the Act, 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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e. On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. As per notification issued by the Ministry of Corporate Affairs dated 13th June 2017, reporting on the adequacy of the Internal financial controls over financial reporting of the Company and operating effectiveness of such control is not applicable to the Company.



- 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 did not have any litigation hence it is not required to disclose the impact of pending litigations on its financial position.
 - ii) There is no any material foreseeable loss, on long term contracts including derivative contract under the applicable law or Indian accounting standard.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.S.KOTHARI MEHTA & CO.

Chartered Accountants

Firm Registration No. 000756N



Neeraj Bansal

Partner

Membership No. 095960



Place: New Delhi

Date: 1.05.2018

Annexure A to the Independent Auditor's Report to the members of ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED dated 1ST May 2018

Report to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The fixed assets were physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.

(c) The Company does not hold any immovable property.
- ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification;
- iii. As per the information and explanation given to us and on the basis of our examination of the records, the Company has not granted 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. Therefore sub - clauses (iii) (a), (iii) (b) & (iii) (c) of the Order are not applicable;
- iv. According to the information and explanation given to us, the company has not given any loan, guarantee, made investment and provided any security for which section 185 and 186 is applicable. Therefore sub – clause (iv) of the order is not applicable.
- v. As per information and explanation provided to us, the Company has not accepted any public deposits during the year. Further, we have not come across any such deposit(s) nor the management has reported any such deposit(s), therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable;
- vi. We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or service tax or good & service tax and cess.

- viii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. No term loans were raised during the year.
- x. According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;
- xi. The Provision of section 197 read with schedule V to the act for managerial remuneration is applicable to the public company.
- xii. The Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company;
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of para 3 of the Order is not applicable;
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

For S S Kothari Mehta & Co

Chartered Accountants

Firm's Registration No. 000756N



Neeraj Bansal
Partner

Membership No. 095960



Place: New Delhi

Date: 1.05.2018

Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874

Balance Sheet as at 31.03.2018

(Amount in Rs.)

S.No	Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
	ASSETS			
(1)	Non - current assets			
	(a) Property, plant and equipment	3	1,025,677	98,222
	(b) Deferred tax assets (net)	5	31,441	54,233
			1,057,118	152,455
(2)	Current assets			
	(a) Inventories	7	62,063,495	83,568,044
	(b) Financial assets			
	(i) Trade receivables	4	578,530	3,671,899
	(ii) Cash and cash equivalents	8	378,422	133,310
	(c) Current tax assets (net)	9	-	64,974
	(d) Other current assets	6	11,550,456	6,609,065
			74,570,903	94,047,292
	Total assets		75,628,021	94,199,747
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	10	10,000,000	10,000,000
	(b) Other equity	11	8,371,831	(23,900)
			18,371,831	9,976,100
	LIABILITIES			
(1)	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	35,168,334	54,958,838
	(ii) Trade payables	13	10,098,438	3,922,187
	(iii) Other financial liabilities	14	394,244	69,300
	(b) Other current liabilities	15	10,843,466	25,273,322
	(c) Provisions	16	141,226	-
	(d) Current tax liabilities (net)	17	610,482	-
			57,256,190	84,223,647
	Total Equity & Liabilities		75,628,021	94,199,747

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.000756N

Neeraj Bansal

Partner

Membership No. 95960

Place: **NORDA**

Date: **1st May, 2018**



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Steven Fredrick Muscarella

Director

DIN: 02788280

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Aditya Puri

Director

DIN:00052534

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Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874
Statement of Profit and Loss for the year ended 31.03.2018

(Amount in Rs.)

S.No	Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
I	Revenue from operations	18	147,352,794	4,096,476
II	Other income	19	13,688	831,762
III	Total income (I + II)		147,366,482	4,928,238
IV	Expenses			
	Cost of materials consumed	20	111,198,021	28,549,955
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	21	(26,811,435)	(27,930,712)
	Employee benefits expenses	22	353,499	-
	Finance costs	23	3,836,595	454,851
	Depreciation and amortization expenses	24	142,588	11,835
	Other expenses	25	46,916,624	3,618,572
	Total expenses		135,635,892	4,704,501
V	Profit / (loss) before exceptional items and tax (I - IV)		11,730,590	223,737
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		11,730,590	223,737
VIII	Tax expense			
	(1) Current tax	26	3,312,067	40,720
	(2) Deferred Tax	26	22,792	26,462
			3,334,859	67,182
IX	Profit / (loss) for the Period		8,395,731	156,555
X	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
			-	-
XI	Total comprehensive income for the period (IX + X)		8,395,731	156,555
XII	Earnings per equity share			
	(1) Basic /Diluted	27	8.40	0.16

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.000756N

Neeraj Bansal

Partner

Membership No. 95960

Place: NOIDA

Date: 1st May 2018



(Signature)
Steven Fredrick Muscarella

Director

DIN: 02788280

(Signature)
Aditya Puri

Director

DIN:00052534

(Signature)

Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874		
Cash Flow Statement for the period ended 31st March, 2018		
(Amount in Rs.)		
Particulars	Period ended 31.3.2018	Period ended 31.3.2017
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax	11,730,590	223,737
Adjustment for :		
Depreciation and impairment of PPE	142,588	11,835
Interest Income	(10,578)	(820,520)
Finance costs	3,836,595	454,851
Provision for warranty	141,226	
Operating profit/(loss) before working capital changes	15,840,421	(130,097)
Adjustments for changes in working capital :		
(Increase) /Decrease in trade receivables	3,093,369	(3,671,899)
(Increase) /Decrease in other receivables	(4,943,304)	(6,519,741)
(Increase) /Decrease in inventories	21,504,549	(83,568,044)
Increase /(Decrease) in trade and other payables	(7,928,661)	29,207,309
Cash generated from Operations	27,566,373	(64,682,472)
Direct Taxes Paid	(2,634,698)	(97,893)
Net Cash Flow from Operating Activities	24,931,675	(64,780,365)
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of PPE	(1,070,043)	(110,057)
Interest received	10,578	820,520
Net Cash generated from Investing Activities	(1,059,465)	710,463
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from share capital	-	-
Interest Paid	(3,836,595)	(454,851)
Proceeds from Borrowings	(19,790,503)	54,958,838
Net Cash used in financing activities	(23,627,098)	54,503,987
Net Increase/(Decrease) In Cash & Cash Equivalents	245,112	(9,565,915)
Cash and Cash equivalents as at Opening date	133,310	9,699,225
Cash and Cash equivalents as at 31st March, 2018	378,422	133,310
Cash and cash equivalents comprise		
Balance with Banks	378,422	133,310
Term Deposit with Banks	-	-
	378,422	133,310

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.000756N

Neeraj Bansal
Partner

Membership No. 95960

Place: NOIDA

Date: 1st May, 2018



Steven Fredrick Muscarella
Director

DIN: 02788280

Aditya Puri
Director

DIN:00052534

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Statement of change in Equity

A. Equity share capital

(Amount in Rs.)

Particulars	Amount
As at 1st April 2016	10,000,000
Changes in Equity Share Capital	-
As at 31st March 2017	10,000,000
Changes in Equity Share Capital	-
As at 31st March 2018	10,000,000

B. Other equity

(Amount in Rs.)

Particulars	Reserve & Surplus	
	Retained Earnings	Total
As at 01.4.2016	(180,455)	(180,455)
Additions during the period	156,555	156,555
As at 31.3.2017	(23,900)	(23,900)
Additions during the period	8,395,731	8,395,731
As at 31.03.2018	8,371,831	8,371,831

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.000756N

Neeraj Bansal

Neeraj Bansal

Partner

Membership No. 95960

Place: NOIDA

Date: 1st May, 2018



Steven Fredrick Muscarella

Steven Fredrick Muscarella

Director

DIN: 02788280

Aditya Puri

Aditya Puri

Director

DIN:00052534

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Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2018

3. Property, plant & equipment

(Amount in Rs.)

Particulars	Plant & Machinery	Furniture & fixtures	Vehicles	Office Equipments	Total
Gross Block (at cost or revalued amount)					
As at 01.04.2017	68,746	-	-	41,311	110,057
Additions	825,713	46,200	18,500	179,630	1,070,043
Disposals					
As at 31.03.2018	894,459	46,200	18,500	220,941	1,180,100
Depreciation					
As at 01.04.2017	963	-	-	10,872	11,835
Charge During the year	73,157	3,611	1,197	64,623	142,588
Disposals					
As at 31.03.2018	74,120	3,611	1,197	75,495	154,423
Net Carrying Value					
As at 31.03.2017	67,783	-	-	30,439	98,222
As at 31.03.2018	820,339	42,589	17,303	145,446	1,025,677



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2018

4. Trade receivables

(Amount in Rs.)

Particulars	Note reference	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good		342,530	3,416,749
Unsecured, considered good- related parties		236,000	255,150
Doubtful		-	-
Total		578,530	3,671,899



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2018

5. Deferred tax assets / liabilities (net)

The balance comprises temporary differences attributable to:

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Preliminary Expenditure debited to statement of Profit and Loss but allowed for tax purpose in subsequent years	37,536	53,163
Other Timing Differences-Business Loss	-	-
Depreciation	-6,095	1,070
Closing Balance	31,441	54,233

Note:

The Company has recognized deferred tax assets on carried forward tax losses. Since the year ended 31st march 2016 is the first year after incorporation and loss is majorly related to preliminary and preoperative expenses which are non-recurring in nature and expected to be recoverable using the estimated future taxable income. The losses can be carried forward for a period of 8 years as per Income tax Act,1961.

5.1 Movement in Deferred Tax Assets

(Amount in Rs.)

Particulars	Business loss	other items	PPE	Total
At 1 April 2016	10,591	70,105	-	80,695
(Charged)/credited:-				
-to profit & loss	-10,591	-16,941	1,070	-26,462
-to other Comprehensive Income				
-Deferred tax on basis Adjustment				
At 31st March 2017	-	53,163	1,070	54,233
(Charged)/credited:-				
-to profit & loss		-15,627	-7,165	-22,792
-to other Comprehensive Income				
-Deferred tax on basis Adjustment				
At 31st March 2018	-	37,536	-6,095	31,441



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2018

6. Other Assets

(Amount in Rs.)

Particulars	Non - current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Balances with Govt. authorities	-	-	7,461,619	5,967,212
Trade Advance	-	-	4,046,978	639,941
Firm Commitment on Purchases			6,569	-
Pre-paid expenses			35,290	-
MAT Credit Entitlement			-	1,913
Total other assets	-	-	11,550,456	6,609,065

7. Inventories

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Raw materials	5,775,506	6,092,290
Raw materials in Transit	-	48,705,686
Work-in-progress		
-Engineering Goods	54,742,147	27,930,712
Stores and Spares	1,524,857	476,777
Loose tools	20,985	25,079
Scrap Stock	-	337,500
Total	62,063,495	83,568,044

8. Cash & cash equivalents

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with banks		
In Current accounts	232,189	133,310
In Cash Credit accounts	81,001	
Cash in Hand	65,232	
Total	378,422	133,310



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2018

9. Current tax assets (net)

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance Income Tax/ Tax Deducted at Source		107,607
Less:		
Provision for Income Tax		42,633
Total		64,974



10. Share capital

(Amount in Rs.)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs.10/-each with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
Issued				
Equity shares of Rs.10/-each with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
Subscribed & fully paid-up				
Equity shares of Rs.10/-each with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
	1,000,000	10,000,000	1,000,000	10,000,000

10.1. Additional information as per Schedule III

Notes:

- (a) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:

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

- (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting Period :

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the Year	1,000,000	10,000,000	1,000,000	10,000,000
Add: Issued during the Year.	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the close of the Year	1,000,000	10,000,000	1,000,000	10,000,000

- (c) Detail of Shares held by each shareholder holding more than 5%

Class of shares/Name of the shareholders:	As at 31.03.2018		As at 31.03.2017	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Isgec Heavy Engineering Ltd.	510,000	51%	510,000	51%
(ii) Titan Metal Fabricators Inc	490,000	49%	490,000	49%



Isgec Titan Metal Fabricators Private Limited		
Notes to the Financial Statements as at 31.03.2018		
11. Other equity		
Retained Earnings		
(Amount in Rs.)		
Particulars	As at 31.03.2018	As at 31.03.2017
Opening Balance	(23,900)	(180,455)
Net profit for the year	8,395,731	156,555
Closing Balance	8,371,831	(23,900)
12. Borrowings		
(Amount in Rs.)		
Particulars	As at 31.03.2018	As at 31.03.2017
Secured		
From bank:		
Cash Credit Account	35,168,334	54,958,838
Total	35,168,334	54,958,838
Details of Securities offered for above short term borrowing :-		
1. First Pari-Passu charged on current assets of the company.		
2. Corporate Guarantee of ISGEC Heavy Engineering Limited.		
3. Rate of interest @ 10% p.a. and is payable on demand		
13. Trade payables		
(Amount in Rs.)		
Particulars	As at 31.03.2018	As at 31.03.2017
Trade payables		
Due to Micro and Small Enterprises		
Outstanding dues of creditors	3,417,394	2,406,860
Due to related Parties	6,681,044	1,515,327
Total	10,098,437	3,922,187
Note: The disclosure of balances of Micro, Small & Medium Enterprises (MSMED) is not required as there is no transaction of the company with the MSMED parties.		



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2018

14. Other financial liabilities

(Amount in Rs.)

Particulars	Current	
	As at 31.03.2018	As at 31.03.2017
Payable to employees	149,388	-
Other payable to parties	244,857	69,300
Total	394,244	69,300

15. Other liabilities

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance from Customers:		
Related parties		-
Others	10,440,000	25,120,000
Forward Derivative	6,569	-
Statutory dues payable		
-Taxes Payable	396,897	153,322
Total	10,843,466	25,273,322

16. Short term provisions

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for warranty	141,226	-
Total	141,226	-

17. Current tax liabilities (net)

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Income Tax	3,303,743	
Less:		
Advance Income Tax/ Tax Deducted at Source	2,691,348	
MAT Credit Entitlement	1,913	
Total	610,482	-



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

18. Revenue from operations

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sale of Products		
- Engineering Goods	141,489,463	3,853,476
Sale of Services	4,514,181	243,000
Other operating revenue	1,349,150	-
Total	147,352,794	4,096,476

19. Other income

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Income		
- On Bank Deposits	10,578	820,520
Misc receipts	3,110	3,992
Excess Provision Written Back		7,250
Total	13,688	831,762



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

20. Cost of materials consumed

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Raw Material Consumed	110,037,476	28,537,767
Store consumed	1,160,545	12,188
Total	111,198,021	28,549,955

20.1 Details of Raw Materials and Components Consumed

(Amount in Rs.)

Type of Materials	Units	Year ended 31.03.2018		Year ended 31.03.2017	
		Quantity	Value	Quantity	Value
Iron and Steel	MT	52.034	15,057,890	12.91	6,186,887
Forgings	Pcs.	144	5,265,257	20	18,868,238
Tubes	Mtr.	30484	76,252,531	177.66	2,315,270
Components issued for jobs			14,622,343		1,179,560
Total			111,198,021		28,549,955



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

21. Changes in inventories of finished goods, stock - in - trade & work - in - progress
 (Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Opening stock		
Work - in - Progress	27,930,712	-
Total opening balance	27,930,712	-
Closing stock		
Work - in - Progress	54,742,147	27,930,712
Total closing balance	54,742,147	27,930,712
Total changes in inventory	(26,811,435)	(27,930,712)

22. Employee benefits expenses
 (Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries & wages	321,937	
Contribution to provident & other funds	31,562	
Total	353,499	-

23. Finance costs
 (Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Expense	3,836,595	454,851
Total	3,836,595	454,851

24. Depreciation and amortization expense
 (Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Depreciation of Property, Plant & Equipment	142,588	11,835
Total	142,588	11,835



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

25. Other expense

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Excise duty on sale of goods	64,463	428,164
Other Manufacturing Expenses	25,947,877	130,286
Power Consumed	1,088,830	73,063
Packing, Forwarding & Transportation Charges	380,221	-
Bank Charges	379,383	224,620
General Expenses	3,965,064	573,702
Foreign Exchange Fluctuation	2,009,362	689,819
Printing & Stationary	49,101	675
Legal & Professional Charges	50,000	76,380
Brokerage and Commission	-	563,303
News Paper & Periodicals (Reimbursement)	357	-
Rates & Taxes	146,250	-
Repair & Maintenance:		
Machinery repair	146,507	10,528
Furniture and Other Repairs	122,500	
Building Repair	308,499	
Insurance Charges	56,493	1,000
Travelling Expenses	1,362,813	29,031
Professional Services	10,778,905	758,001
Auditors Remuneration:		
Statutory audit fees	60,000	60,000
TOTAL	46,916,624	3,618,572



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

26. Tax expense

(a) Tax Expense

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(a) Current Taxes		
Current tax on profits for the year	3,303,743	42,633
Adjustments for current tax of prior periods	8,324	
Total Current tax Expense	3,312,067	42,633
Less: MAT Credit Entitlement		1,913
Net Current tax Expense	3,312,067	40,720
(b) Deferred Tax		
Decrease(increase) in deferred tax assets	22,792	26,462
Total	3,334,859	67,182

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit before income tax expense	11,730,590	223,737
Tax at Indian tax rate of 27.5525% (in 2016-17 tax rate was 29.87%)	3,232,071	66,830
Add: Change in rate of Tax	102,788	352
Income tax Expense	3,334,859	67,182



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

27 Earning per share(Ind As 33):

In accordance with Indian Accounting Standard (Ind AS-33) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net Profit / (Loss) available to Equity Shareholders	8,395,731	156,555
Number of Weighted Average Equity Shares outstanding during	1,000,000	1,000,000
Nominal value of Equity Share (In Rs.)	10.00	10.00
Basic & Diluted Earning per Share (In Rs.)	8.40	0.16

28 Related party transactions (Ind AS 24)

In accordance with the Indian Accounting Standard on "Related Party disclosures"(Ind AS-24) the disclosures in respect of related parties and transactions with them, as identified and certified by the management, are as follows:

1) Description and name of related parties

S. No.	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at 31-03-2018	As at 31-03-2017
(i) Promoters				
1	Isgec Heavy Engineering Limited	India	51	51
2	Titan Metal Fabricators Inc	USA	49	49
(ii) Key Management Personnel				
1	Mr. Aditya Puri	Director		
2	Mr. Ravi Jaidka	Director		
3	Mr. Steven Fredrick Muscarella	Director		
4	Mr. Thomas William Muscrella	Director		

2) Details of related party transactions and outstanding balance as at 31st March,2017

S.No	Nature of Transaction/ Relationship	2017-18	2016-17
a) The following transactions were carried out with the related parties in the ordinary course of business			
Joint Venture Partners			
- ISGEC Heavy Engineering Limited			
i)	Purchase of Goods	2,285,611	93,606
ii)	Services Received	31,127,058	1,442,365
iii)	Sale of Goods	236,000	-
iv)	Services Rendered	5,258,001	279,450



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

- ISGEC Hitachi Zosen Limited	
i) Purchase of Goods	2,615,204



Isgec Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the year ended 31.03.2018

b) Amount due to / from related parties

Joint Venture Partners

- ISGEC Heavy Engineering Limited

i) Amount payable as at year end 2,771,259 1,260,177

- Titan Metal Fabricators

i) Amount receivable as at year end 23,913

29 Segment Reporting

The Company operates in only one segment of engineering business which comprises of production and 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 Chief Operational Decision Maker 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.



FINANCIAL INSTRUMENTS- ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT
30. Financial instruments by category

Particulars	31st March 2018			31st March 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Trade receivables	578,530			3,671,899		
Cash and cash equivalents	378,422			133,310		
Bank Balances						
Others						
Total Financial Assets	956,953			3,805,209		
Financial Liabilities						
Borrowings	35,168,334			54,958,838		
Trade payables	10,098,438			3,922,187		
Other Financial Liabilities	394,244			69,300		
Total Financial Liabilities	45,661,016			58,950,325		

(i) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31.03.2018	Fair Value Measurement using			
	Carrying Value 31.03.2018	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	35,168,334	-	35,168,334	-
Other financial liabilities	69,300			
Total Financial liabilities	35,237,634	-	35,168,334	-

Valuation technique used to determine fair value

The fair value of borrowings are measured using discounted cash flow analysis

Note:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, Interest accrued and Bank balance are considered to be same as their fair value, due to their short term nature

For financial assets and liabilities measure at fair value, the carrying amount equals to the fair value



The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has trade and other receivables, cash and short-term deposits that arise directly from its operations.

The Company's activities are expose to **market risk, credit risk and liquidity risk.**

I. Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As Company have only short term borrowings with fixed rate of interest therefore company is not exposed to any interest rate risk

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign currency receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

(c) Price Risk

The company is not exposed to any price risk as Company doesn't have any investments whether in equity or in commodity.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

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

Ageing	Not Due	Less than 3 months	3 to 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
As at 31-03-2018							
Gross Carrying Amount	-	578,530	-	-	-	-	578,530
Expected loss Rate (in percentage)							
Expected Credit Loss (in Rs.)							
Carrying Amount (net of impairment)	-	578,530	-	-	-	-	578,530



Isgec Titan Metal Fabricators Pvt. Ltd.**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018****III. Liquidity Risk**

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31-03-2018	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Borrowings	35,168,334	35,168,334					35,168,334
Trade payables	10,098,438		10,098,438				10,098,438
Other Liabilities	394,244		394,244				394,244
Total	45,661,016	35,168,334	10,492,682	-	-	-	45,661,016

As at 31-03-2017	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Borrowings	54,958,838	54,958,838					54,958,838
Trade payables	3,922,187		3,922,187				3,922,187
Other Liabilities	69,300		69,300				69,300
Total	58,950,325	54,958,838	3,991,487	-	-	-	58,950,325



Isgec Titan Metal Fabricators Private Limited**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017****32. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to equity shareholders. The primary objective of company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at	As at
	31st March 2018	31st March 2017
Borrowings	35,168,334	54,958,838
Trade payables	10,098,437	3,922,187
Less : Cash & Cash Equivalents(note 10)	378,422	133,310
Net Debt	44,888,349	58,747,714
Total Equity	18,371,831	9,976,100
Total Capital and Net Debt	63,260,180	68,723,814
Net debt to equity ratio (Gearing Ratio)	70.96%	85.48%

Notes-

- (i) Debt is defined as short-term borrowings and trade payables as described in note 12 & 13.
- (ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

