

**INDEPENDENT AUDITOR'S REPORT**

To

The Members,  
Isgec Engineering & Projects Limited.  
Yamunanagar  
Haryana.

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Isgec Engineering & Projects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow statement for the period then ended, notes to financial statement comprising a summary of significant accounting policies and other explanatory information.

**Management is responsible for the preparation of these 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 there under. We conducted our audit 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 financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements

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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 an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143(11) 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Statement, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) 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 litigation which would impact its financial position;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses;



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iii. There were no amounts which were to be transferred to the Investor Education and Protection Fund by the Company.

**PLACE : Noida**  
**DATE : 26.05.2015**

**FOR P.G. CHAWLA & CO.**  
**Firm Reg.No.014407N**  
**Chartered Accountants**



**P.G. CHAWLA**  
**(Partner)**  
**M.No.93392**

**Annexure to the Independent Auditor's Report of even date to the members on the financial statements for the Period ended March 31,2015**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the fixed assets of the Company:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets and capital work in progress.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. In respect of the inventories of the Company: N.A.  
There being no Inventories during the year..
3. 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 Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.



Contd. on 2



- (c) There were no dispute of Income Tax, Sales Tax and Value Added Tax and Service Tax pending as at March 31, 2015.
- (d) There were no amounts which were to be transferred to the Investor Education and Protection Fund by the Company.
8. The Company does not have accumulated losses. The Company has incurred a loss of Rs. 3473/- during the financial year covered by our audit and Rs.35269/- in the immediately preceding financial period.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders.
10. According to the records and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
11. According to the information and explanations given to us, the Company did not avail any term loan during the year.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**PLACE : Noida**  
**DATE:26.05.2015**

**FOR P.G. CHAWLA & CO.**  
**Firm Reg.No.014407N**  
**Chartered Accountants**



**P.G. CHAWLA**  
**(Partner)**

**M.No.93392**

**ISGEC ENGINEERING & PROJECTS LTD.**

CIN: U29248HR2007PLC036695

**Balance Sheet as at 31st March 2015**

(In Rupees)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders Funds</b>			
a) Share Capital	2.1	36,000,000	33,000,000
b) Reserve & Surplus	2.2	36,063	39,437
<b>2. Non-current Liabilities</b>		-	-
<b>3. Current liabilities</b>			
a) Other Current Liabilities	2.3	216,123	11,236
b) Short Term Provisions	2.4	-	4,591
<b>Total</b>		<b>36,252,186</b>	<b>33,055,264</b>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
a) Fixed Assets			
Capital Work in Progress		35,659,361	31,714,864
<b>2. Current Assets</b>			
a) Cash & Bank Balance	2.5	187,642	928,948
b) Short term Loans & advances	2.6	3,993	10,262
c) Other Current Assets	2.7	401,190	401,190
<b>Total</b>		<b>36,252,186</b>	<b>33,055,264</b>
<b>Significant accounting policies</b>	1		
<b>Notes to accounts</b>	2		


The notes referred above form an integral part of the financial statements

AS PER OUR REPORT OF  
EVEN DATE ATTACHED  
FOR P.G.CHAWLA & CO.  
Chartered Accountants  
FRN No.014407N

For ISGEC Engineering & Projects Ltd.

Place:Noida  
Date : 26.05.2015

  
P.G.CHAWLA  
(Partner)  
M.No.93392

  
S.K. KHORANA  
Director  
DIN: 00085300

  
ADITYA PURI  
Director  
DIN: 00052534

**ISGEC ENGINEERING & PROJECTS LTD.**

CIN: U29248HR2007PLC036695

**Statement of Profit & Loss for the Period ended 31st March 2015**

		(In Rupees)	
	Note No.	Year ended 31.03.2015	Period ended 31.03.2014
<b>I. REVENUE</b>			
Revenue from Operations		-	-
Interest on Fixed Deposit		33,958	6,148
Other Interest		346	-
Total Revenue		34,304	6,148
<b>II. EXPENSES</b>			
Other Expenses	2.8	37,678	41,417
Total Expenses		37,678	41,417
<b>III. Profit/(Loss) for the year</b>		(3,374)	(35,269)
<b>IV. Tax Expenses:</b>			
Current Tax		-	-
Previous year tax adjustment		-	(7,914)
Deferred Tax		-	-
Profit/(Loss) after tax		(3,374)	(27,355)
Earning Per Share		(0.0009)	(0.0083)
Significant accounting policies	1		
Notes to accounts	2		

The notes referred above form an integral part of the financial statements

AS PER OUR REPORT OF  
EVEN DATE ATTACHED  
FOR P.G.CHAWLA & CO.  
Chartered Accountants  
FRN No.014407N

For ISGEC Engineering & Projects Ltd.

Place:Noida  
Date : 26.05.2015

P.G.CHAWLA  
(Partner)  
M.No.93392

S.K. KHORANA  
Director  
DIN: 00085300

ADITYA PURI  
Director  
DIN: 00052534

**ISGEC ENGINEERING & PROJECTS LTD.**

**CIN: U29248HR2007PLC036695**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	<b>( Amount in Rupees)</b>	
	<b>Year ended 31.3.2015</b>	<b>Period ended 31.3.2014</b>
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	(3,374)	(35,269)
<b>Adjustments for:</b>		
Interest Income	(33,958)	(6,148)
Operating profit/(loss) before working capital changes	(37,332)	(41,417)
<b>Changes in working Capital</b>		
Adjustments for (Increase)/Decrease in operating assets:		-
Increase/(Decrease) in Other current liabilities & Provisions	200,296	5,056
<b>Cash generated from Operations</b>	<b>162,964</b>	<b>(36,361)</b>
Direct Taxes Refund/ (Paid)	6,269	(5,130)
<b>Net Cash Flow from Operating Activities</b>	<b>169,233</b>	<b>(41,491)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Work in Progress	(3,944,497)	(472,247)
Interest Received	33,958	52,160
<b>Net Cash used in Investing Activities</b>	<b>(3,910,539)</b>	<b>(420,087)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from share capital	3,000,000	-
<b>Net Cash used in financing activities</b>	<b>3,000,000</b>	-
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(741,306)</b>	<b>(461,578)</b>
<b>Cash and Cash equivalents as at 1st April, 2014 (opening Balance)</b>	<b>928,948</b>	<b>1,390,526</b>
<b>Cash and Cash equivalents as at 31st March, 2015 (Closing Balance)</b>	<b>187,642</b>	<b>928,948</b>

Note;The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standards-3 on Cash Flow Statements.

AS PER OUR REPORT OF  
EVEN DATE ATTACHED  
FOR P.G.CHAWLA & CO.

Chartered Accountants  
FRN No.014407N

  
P.G.CHAWLA  
(Partner)  
M.No.93392

For ISGEC Engineering & Projects Ltd.

  
S.K. KHORANA  
Director  
DIN: 00085300

  
ADITYA PURI  
Director  
DIN: 00052534

Place: New Delhi  
Date: 26.05.2015



**Notes to the Financial Statements as at and for the year ended 31<sup>st</sup> March 2015**

**Note 1. SIGNIFICANT ACCOUNTING POLICIES**

**i) Basis of Accounting**

The financial preparations of the company have been prepared in accordance with the generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards Specified under section 133 of the Act, read with the rule 7 of the Companies (Accounts) rules 2014.

**ii) Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

**iii) Revenue Recognition**

Interest income is accounted for on accrual basis.

**iv) Tangible Fixed Assets**

Fixed Assets are stated at the cost of acquisition for the new assets acquired.

**v) Preliminary & Pre-operative Exp.**

Preliminary Expense and Pre operative Expenses incurred prior to the commencement of business would be written off / capitalized after the start of commercial operations.



**Note 2 Other Disclosures :**

- i) (a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is Nil (Previous year Rs. 39,00,000)
- b) Other Contingent Liability not provided for is Nil.
- ii) Previous Period figures have been regrouped rearranged wherever required to make them comparable with current Period figures.
- iii) Third Party balances in case of Current Assets and Current Liabilities are subject to confirmation by the party.
- iv) The Company has paid Rs.3000000/- (Rupees Thirty Lacs) as non refundable security towards Club membership to M/s Woodside Developments Private Limited as part and parcel of the Allotment of Villa has been taken in Capital Work in Progress.
- v) In the absence of Income company has not made any provision for its tax liability as per the provisions of Income Tax Act 1961
- vi) As regards paragraphs 15-18 of AS-22, no provision for deferred taxation has been made in accounts as there is no certainty that sufficient future taxable income will be available during the set-off period, against which deferred tax asset available to the company can be realized.
- vii) There was no Foreign exchange earnings and outgo.
- viii) The particulars of employees as required in terms of section 197(12) of the ) of the Companies act, 2013 are NIL.
- ix) Since there are no eligible employees in the company, no provision for retirement benefits have been made.
- x) On the basis of information available with the company, there were no amounts overdue and remaining unpaid to small scale and /or ancillary industrial suppliers on account of principal and/or interest as at close of the period.
- xi) On the basis of information available with the company as to whether an enterprise is a Micro/Small enterprises under the MSMED Act, 2006 there was no amount remaining unpaid as on 31<sup>st</sup> March 2015 or delayed in payment during the period beyond the agreed credit period. Hence no interest is due or paid to any such enterprise.
- xii) During the period, no transaction has been made with the related party.
- xiii) The Accounting Year of the Company was changed from ending on 30<sup>th</sup> September to 31<sup>st</sup> March and hence, the previous period figures being for six months period from 1<sup>st</sup> October, 2013 to 31<sup>st</sup> March, 2014 are not comparable with those of the current year.



**ISGEC ENGINEERING & PROJECTS LTD.**

**Notes on Financial Statements**

**Note 2.1 Share Capital**

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number of shares	Rs.	Number of shares	Rs.
<b>Authorised</b> Equity shares of Rs.10/-each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>Issued</b> Equity shares of Rs.10/-each with voting rights	3,600,000	36,000,000	3,300,000	33,000,000
<b>Subscribed and Fully Paid-up</b> Equity shares of Rs.10/-each with voting rights	3,600,000	36,000,000	3,300,000	33,000,000
	<b>3,600,000</b>	<b>36,000,000</b>	<b>3,300,000</b>	<b>33,000,000</b>

**Notes:**

- (a) **The rights, preferences and restrictions attaching 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 share holders in the ensuing Annual General Meeting. In the event of the 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 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 31.03.2015		As at 31.03.2014	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares outstanding at the beginning of the period	3,300,000	33,000,000	3,300,000	33,000,000
Add: Issued during the Period	300,000	3,000,000	0	0
Less: Shares bought back	-	-	-	-
<b>Equity shares outstanding at the close of the Period</b>	<b>3,600,000</b>	<b>36,000,000</b>	<b>3,300,000</b>	<b>33,000,000</b>

- (c) **Detail of Shares held by holding Company**

Class of shares/Name of the shareholders:	As at 31.03.2015		As at 31.03.2014	
	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.	3,600,000	100%	3,300,000	100%
Out of 36,00,000 shares (previous year 33,00,000 shares) , 6 shares are held by 6 individuals holding 1 share each as nominee of Isgec Heavy Engineering Ltd				



**ISGEC ENGINEERING & PROJECTS LTD.**

**Notes on Financial Statements**

**Note 2.2 Reserves and Surplus**

(In Rupees)

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
<b>(a) Surplus in Statement of Profit and Loss</b>		
Balance outstanding at the beginning of the year	39,437	66,792
Add: Additions during the year	(3,374)	(27,355)
Less: Appropriations		
- Proposed Dividend		
- Dividend Tax		
- Transfer to General Reserve	-	-
Balance outstanding at the close of the year	<b>36,063</b>	<b>39,437</b>

**Note 2.3 Other Current Liabilities**

(In Rupees)

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
Woodside Developers Pvt. Ltd	200,000	
TDS Payable	4,723	
Expenses payable	11,400	11,236
	<b>216,123</b>	<b>11,236</b>

**Note 2.4 Short-term Provisions**

(In Rupees)

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
Provision for Taxation	-	4,591
	-	4,591



**ISGEC ENGINEERING & PROJECTS LTD.**

**Notes on Financial Statements**

**Note 2.5 Cash and Bank Balances**

(In Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Cash &amp; Cash Equivalents</b>		
i) In Current account	187,642	928,948
ii) In Fixed Deposits maturing after three months from date of deposit but within one year from balance Sheet date.	-	-
	<b>187,642</b>	<b>928,948</b>

**Note 2.6 Short-term Loans & advances**

(In Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
TDS Recoverable	3,993	10,262
	<b>3,993</b>	<b>10,262</b>

**Note 2.7 Other Current assets**

(In Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Interest accrued but not due on Fixed Deposits	-	-
Preliminary Expenses	401,190	401,190
	<b>401,190</b>	<b>401,190</b>

**Note 2.8 Other Expenses**

(In Rupees)

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Professional Expenses	22,600	22,500
Auditors Remuneration	11,400	16,292
Filing Fee	3,000	2,000
Bank Charges	678	625
	<b>37,678</b>	<b>41,417</b>

