

ISGEC Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874
Balance Sheet as at 31.03.2020

(Amount in Rs.)

S. No.	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	ASSETS			
(1)	Non - current assets			
	(a) Property, plant and equipment	5	49,14,100	19,91,713
	(b) Right- of- Use Assets	5A	2,48,47,978	-
	(c) Capital work in progress	6	-	3,83,075
	(d) Intangible assets	7	1,03,370	60,800
	(e) Financial assets			
	(i) Loans	8	53,310	-
	(ii) Others	9	14,30,000	14,30,000
	(f) Deferred tax assets (net)	10	5,49,816	-
	Sub total (Non - current assets)		3,18,98,574	38,65,588
(2)	Current assets			
	(a) Inventories	11	15,30,58,499	3,76,77,264
	(b) Financial assets			
	(i) Trade receivables	12	11,24,50,691	8,45,14,249
	(ii) Cash and cash equivalents	13	23,26,668	4,66,876
	(iii) Loans	14	35,820	-
	(iv) Other	15	7,29,472	16,44,410
	(c) Current tax assets (net)	16	6,17,032	-
	(d) Other current assets	17	4,52,45,738	1,49,36,461
	Sub total (Current assets)		31,44,63,920	13,92,39,260
	Total assets		34,63,62,494	14,31,04,848
	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity share capital	18	1,00,00,000	1,00,00,000
	(b) Other equity	19	3,66,22,826	2,41,59,316
	Sub total (Equity)		4,66,22,826	3,41,59,316
(2)	LIABILITIES			
	Non - current liabilities			
	(a) Lease liabilities	20	2,09,89,221	-
	(b) Provisions	21	6,19,203	4,15,977
	(c) Deferred tax liabilities (net)	10	-	12,808
	Sub total (Non - current liabilities)		2,16,08,424	4,28,785
(3)	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	22	16,03,30,226	6,85,72,837
	(ii) Trade payables	23		
	Total outstanding dues of micro enterprises and small Enterprises		4,85,298	20,84,530
	Total outstanding dues of creditors other than micro enterprises and small Enterprises		5,66,08,870	1,85,61,857
	(iii) Other	24	48,33,925	38,68,339
	(b) Lease liabilities	25	58,99,225	-
	(c) Other current liabilities	26	4,97,14,264	1,43,20,285
	(d) Provisions	27	2,59,436	1,45,234
	(e) Current tax liabilities (net)	16	-	9,63,665
	Sub total (Current liabilities)		27,81,31,244	10,85,16,747
	Total Equity & Liabilities		34,63,62,494	14,31,04,848

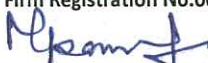
Notes to Financial Statement 1 to 44

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. 095960

Place: Noida

Date: 11-06-2020



For and on behalf of the Board of Directors



Ravi Jaidka
Director

DIN: 00322627



Aditya Puri
Director

DIN: 00052534

Statement of Profit & Loss Account for the year ended 31.03.2020

(Amount in Rs.)

S. No.	Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
I	Revenue from operations	28	25,60,19,056	29,25,66,766
II	Other income	29	1,00,875	86,444
III	Total income (I + II)		25,61,19,931	29,26,53,210
IV	Expenses			
	Cost of materials consumed	30	23,06,86,360	15,33,94,436
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	31	(9,97,69,767)	4,72,21,947
	Employee benefits expenses	32	83,43,868	49,85,416
	Finance costs	33	1,19,05,379	53,73,578
	Depreciation and amortization expenses	34	70,46,236	3,18,041
	Other expenses	35	7,32,06,379	5,93,20,552
	Total expenses		23,14,18,455	27,06,13,970
V	Profit / (loss) before exceptional items and tax (III - IV)		2,47,01,476	2,20,39,240
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		2,47,01,476	2,20,39,240
VIII	Tax expense			
	(1) Current tax	36	67,72,825	62,64,826
	(2) Deferred tax	36	(5,62,624)	44,249
	(3) Prior year tax adjustment	36	-	(57,320)
	Total Tax expense		62,10,201	62,51,755
IX	Profit / (loss) for the Period (VII- VIII)		1,84,91,275	1,57,87,485
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)		1,84,91,275	1,57,87,485
XII	Earnings per equity share			
	(1) Basic /Diluted	37	18.49	15.79

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

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Membership No. 095960

Place: Noida

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Ravi Jaidka
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ISGEC Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874
Statement of Cash Flows for the year ended 31.03.2020

S. No.	Particulars	(Amount in Rs.)	
		Year ended 31.03.2020	Year ended 31.03.2019
A	Cash flow from operating activities :		
	Net Profit/(Loss) Before Tax	2,47,01,476	2,20,39,240
	Adjustment for :		
	Depreciation and amortization of PPE	70,46,236	3,18,041
	(Gain) / Loss on disposal of PPE	13,396	-
	Interest Income	(1,00,875)	(77,659)
	Lease Rent Paid	(60,00,000)	-
	Finance costs	1,19,05,379	53,73,578
	Operating profit/(loss) before working capital changes	3,75,65,612	2,76,53,200
	Adjustments for changes in working capital :		
	(Increase) /Decrease in trade receivables	(2,79,36,442)	(8,39,35,720)
	(Increase) /Decrease in other receivables	(2,94,83,469)	(64,60,415)
	(Increase) /Decrease in inventories	(11,53,81,235)	2,43,86,231
	Increase /(Decrease) in trade and other payables	7,28,07,346	1,74,98,863
	Increase /(Decrease) in payables and provisions	3,17,428	4,19,985
	Cash generated from Operations	(6,21,10,760)	(2,04,37,855)
	Income Tax (Paid) / Received (Net of TDS)	(83,53,522)	(58,54,323)
	Net Cash Flow from Operating Activities	(7,04,64,282)	(2,62,92,178)
B	Cash flow from investing activities :		
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(34,29,520)	(17,27,952)
	Interest received	1,00,875	77,659
	Net Cash generated from Investing Activities	(33,28,645)	(16,50,293)
C	Cash flow from financing activities :		
	Dividend paid on equity shares	(50,00,000)	-
	Dividend Tax paid	(10,27,765)	-
	Interest Paid	(1,00,76,905)	(53,73,578)
	Proceeds from Borrowings	9,17,57,389	3,34,04,503
	Net Cash used in financing activities	7,56,52,719	2,80,30,925
	Net Increase/(Decrease) In Cash & Cash Equivalents	18,59,792	88,453
	Cash and Cash equivalents as at Opening date	4,66,876	3,78,422
	Cash and cash equivalents at the end of the year	23,26,668	4,66,876
	Cash and cash equivalents comprise		
	Balance with Banks	23,26,668	4,66,876
	Term Deposit with Banks	-	-
	Cash and cash equivalents	23,26,668	4,66,876

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.000756M

Neeraj Bansal
Partner

Membership No. 095960

Place: Noida

Date: 11-06-2020



For and on behalf of the Board of Directors

Ravi Jaidka

Director

DIN: 00322627

Aditya Puri

Director

DIN: 00052534

Statement of changes in equity for the year ended as on 31.03.2020

A. Equity share capital

(Amount in Rs.)

Particulars	Amount
As at 01.04.2018	1,00,00,000
Changes during the year	-
As at 31.03.2019	1,00,00,000
Changes during the year	-
As at 31.03.2020	1,00,00,000

B. Other equity

(Amount in Rs.)

Particulars	Reserve & Surplus	
	Retained Earnings	Total
As at 01.04.2018	83,71,831	83,71,831
Profit for the period	1,57,87,485	1,57,87,485
As at 31.03.2019	2,41,59,316	2,41,59,316
Profit for the period	1,84,91,275	1,84,91,275
Dividend paid on equity shares	(50,00,000)	(50,00,000)
Dividend Tax paid	(10,27,765)	(10,27,765)
As at 31.03.2020	3,66,22,826	3,66,22,826

Nature and Purpose of Reserve

Retained Earnings

This comprise company's undistributed profit after taxes.

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.0007561

Neeraj Bansal

Neeraj Bansal

Partner

Membership No. 095960

Place: Noida

Date: 11-06-2020



For and on behalf of the Board of Directors

Ravi Jaidka

Ravi Jaidka

Director

DIN: 00322627

Aditya Puri

Aditya Puri

Director

DIN: 00052534

ISGEC Titan Metal Fabricators Private Limited

1. Corporate Information

ISGEC Titan Metal Fabricators Private Limited (the "Company") is a Joint Venture between Isgec Heavy Engineering Limited, India and Titan Metal Fabricators Inc, USA., holding 51% & 49% of the share capital respectively in the Company.

The main aim of JV is fabrication of equipments in Reactive Metals with superior infrastructure of ISGEC and proven technology of TITAN.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the e Companies (Indian Accounting Standards) Amendment Rules, 2018.

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.

The financial statements are presented in Indian rupees (INR), except otherwise stated.

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting Period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

2.3 Revenue Recognition

Sale of products and rendering of service

The Company recognises revenue when the company satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when the customer obtains control of that asset and it is probable that the company will collect



ISGEC Titan Metal Fabricators Private Limited

the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue is measured at the transaction price. The transaction price is the amount of consideration, taking into account contractually defined terms of payment and its customary business practice, to which Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties i.e excluding taxes or duties collected on behalf of the government.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Other Income

- (i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (ii) Insurance Claims, export incentives, escalation, etc. are accounted for as and when the estimated amounts recoverable can be reasonably determined as being acceptable to the concerned authorities/parties.
- (iii) Other income like sale of scrap, profit on sale/write off of assets etc. are recognized as and when right to receive income arises, and there is no uncertainty in realization of the same.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers'. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

2.3 Inventories

Raw materials & Stores & Spares: are valued at lower of weighted average cost or net realizable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work in progress: are valued at lower of cost or net realizable value. Cost includes cost of direct materials and applicable direct manufacturing and administrative overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



2.4 Property, Plant & Equipment

Recognition

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost includes its purchase price (net of input tax credit / duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

Capital spares directly attributable to the fixed assets are capitalised with the related assets.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is disposed.

The assets residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

2.5 Intangible Assets

An Intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Costs incurred on acquisition of specialized software are capitalized.

The cost of intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly



ISGEC Titan Metal Fabricators Private Limited

attributable cost of preparing the asset for its intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.6 Depreciation and Amortization

Depreciation is provided on Property, plant & Equipment in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method except in respect of certain Plant & Machinery which are depreciated as per straight line method. Capital spares directly attributable to the specific fixed assets are depreciated with the cost of the assets.

Intangible assets are amortized over a period not exceeding ten years on a straight line method.

2.7 Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.8 Employee Benefits

(i) Provident Fund

The contributions are deposited in the Recognised Provident Fund accounts operated by the Regional Provident Fund Commissioner under the Employees Provident Fund and Miscellaneous Provisions Act 1952, on the basis of services rendered by the employees and is expensed as and when incurred.



ISGEC Titan Metal Fabricators Private Limited

(ii) Leave Encashment

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Liability is classified as current liability as the company does not have any conditional right to defer the payments.

Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income.

(iii) Other Short Term Benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (27) Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any



ISGEC Titan Metal Fabricators Private Limited

lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.10 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid/payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax is charged at the end of reporting period to profit & loss.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.



ISGEC Titan Metal Fabricators Private Limited

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

MAT

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 or a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. 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 recognized as a finance cost.

A contingent liability is disclosed when

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognised because:



ISGEC Titan Metal Fabricators Private Limited

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised but are disclosed in notes.

2.13 Earning Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in three broad categories:

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the



ISGEC Titan Metal Fabricators Private Limited

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B. Derivative financial instruments

(i) Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.



ISGEC Titan Metal Fabricators Private Limited

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to receive cash flows from the assets have expired, or
- (ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

2.15 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.16 Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

2.17 Foreign Exchange Transactions

Financial statements are presented in INR, which is company's functional currency. Monetary assets and liabilities denominated in foreign currencies (except financial instruments designated as Hedge Instruments) are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



ISGEC Titan Metal Fabricators Private Limited

2.17 Preliminary Expenses

All expenses prior to commencement of commercial operation are aggregated as preliminary expenses. These are to be amortised in first financial year on commencement of commercial operations.

2.18 Fair Value Measurement

The Company measures financial instruments such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Critical accounting estimates and Judgements

(i) Income taxes:

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ



ISGEC Titan Metal Fabricators Private Limited

from actual outcome which could lead to significant adjustment to the amounts reported in financial statement.

(ii) Defined Benefit Plans:

The cost of defined benefit plans and the present value of obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Contingencies:

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

5. Property, plant & equipment

(Amount in Rs.)

Particulars	Plant & Machinery	Furniture & fixtures	Vehicles	Office Equipments	Total
Gross carrying value					
As at 01.04.2018	8,94,459	46,200	18,500	2,20,941	11,80,100
Additions	10,66,050	32,700	-	1,82,127	12,80,877
Disposals	-	-	-	-	-
As at 31.03.2019	19,60,509	78,900	18,500	4,03,068	24,60,977
Additions	33,51,665	1,03,833	-	2,89,297	37,44,795
Disposals	32,120	-	-	-	32,120
As at 31.03.2020	52,80,054	1,82,733	18,500	6,92,365	61,73,652
Depreciation					
As at 01.04.2018	74,120	3,611	1,197	75,495	1,54,423
Charge During the year	1,76,771	11,754	4,490	1,21,826	3,14,841
Disposals	-	-	-	-	-
As at 31.03.2019	2,50,891	15,365	5,687	1,97,321	4,69,264
Charge During the year	6,08,368	24,558	3,325	1,72,761	8,09,012
Disposals	18,724	-	-	-	18,724
As at 31.03.2020	8,40,535	39,923	9,012	3,70,082	12,59,552
Net Carrying Value					
As at 31.03.2019	17,09,618	63,535	12,813	2,05,747	19,91,713
As at 31.03.2020	44,39,519	1,42,810	9,488	3,22,283	49,14,100

Notes :

(i) Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/ rearranged wherever considered necessary.

(ii) Borrowing cost capitalised during the periods is nil.



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

Note 5A : Right of Use Assets

(Amount in Rs.)

Particulars	Category of ROU Manufacturing Assets	Total
Gross carrying value		
As at 01.04.2019	-	-
Addition	3,10,59,972	3,10,59,972
Disposal	-	-
As at 31.03.2020	3,10,59,972	3,10,59,972
Depreciation		
As at 01.04.2019	-	-
Charge During the year	62,11,994	62,11,994
Disposals	-	-
As at 31.03.2020	62,11,994	62,11,994
Net Carrying Value		
As at 31.03.2020	2,48,47,978	2,48,47,978

Interest charge for the year on lease liabilities 18,28,474

Total cash outflow (payment) for leases :

Leases for which Right to use assets is recognised 60,00,000
Leases considered as short term 58,99,225

Movement in Lease liabilities for the year ended 31.03.2020 :-

(Amount in Rs.)

Particular	Total
As at 01.04.2019	-
Addition	3,10,59,972
Finance cost accrued during the period	18,28,474
Deletion	-
Payment of lease liability	60,00,000
As at 31.03.2020	2,68,88,446



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

6. Capital Work In Progress

(Amount in Rs.)

Particulars	Plant & equipment	Furniture & fixtures	Office Equipments	Total
As at 01.04.2018				
Additions	14,49,125	32,700	1,82,127	16,63,952
Borrowing costs	-	-	-	-
Capitalized	10,66,050	32,700	1,82,127	12,80,877
As at 31.03.2019	3,83,075	0	0	3,83,075
Additions	29,68,590	1,03,833	2,89,297	33,61,720
Borrowing costs	-	-	-	-
Capitalized	33,51,665	1,03,833	2,89,297	37,44,795
As at 31.03.2020	0	0	0	0

7. Intangible assets

(Amount in Rs.)

Particulars	Software	Total
Gross carrying value		
As at 01.04.2018	-	-
Additions	64,000	64,000
Disposals	-	-
As at 31.03.2019	64,000	64,000
Additions	67,800	67,800
Disposals	-	-
As at 31.03.2020	1,31,800	1,31,800
Amortization		
As at 01.04.2018	-	-
Additions	3,200	3,200
Disposals	-	-
As at 31.03.2019	3,200	3,200
Additions	25,230	25,230
Disposals	-	-
As at 31.03.2020	28,430	28,430
Net Carrying Value		
As at 31.03.2019	60,800	60,800
As at 31.03.2020	1,03,370	1,03,370

Notes:

- 1) Cost of Software includes Purchase Price, Duties & Taxes (other than refundable from tax authorities).
- 2) Useful life of software is 5 years.



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

8. Non- current financial assets- Loans

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good Loans to Employees	53,310	-
Total	53,310	-

9. Non- current financial assets- Others

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Fixed Deposits with banks having maturity of more than twelve months (Under lien)	14,30,000	14,30,000
Total	14,30,000	14,30,000

10. Deferred tax assets / liabilities (net)

The balance comprises temporary differences attributable to:

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Preliminary Expenditure debited to statement of Profit and Loss but allowed for tax purpose in subsequent years	7,482	21,757
Timing Difference as per section 43B of Income Tax Act	1,02,942	36,672
WDV of Property, Plant and Equipments	(74,152)	(71,237)
Right to Use Asset	5,13,544	-
Closing Balance	5,49,816	(12,808)

10.1 Movement in Deferred Tax Assets

(Amount in Rs.)

Particulars	Preliminary Expenditure	Defined Benefit Obligation	PPE	Right to Use Asset	Total
At 01.04.2018	37,536	-	(6,095)	-	31,441
(Charged)/credited:-					
-to profit & loss	(15,779)	36,672	(65,142)	-	(44,249)
-to other Comprehensive Income					-
-Deferred tax on basis Adjustment					-
At 31.03.2019	21,757	36,672	(71,237)	-	(12,808)
(Charged)/credited:-					
-to profit & loss	(14,275)	66,270	(2,915)	5,13,544	5,62,624
-to other Comprehensive Income					-
-Deferred tax on basis Adjustment					-
At 31.03.2020	7,482	1,02,942	(74,152)	5,13,544	5,49,816



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

11. Inventories

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Raw materials	2,69,05,159	1,23,08,894
Raw materials in Transit	1,30,92,432	98,10,397
Work-in-progress -Engineering Goods	10,72,89,967	75,20,200
Stores and Spares	56,62,909	64,80,010
Stores and Spares in Transit	-	-
Loose tools	1,08,032	74,792
Firm commitment on Purchases	-	14,82,971
Total	15,30,58,499	3,76,77,264

12. Current financial assets- Trade receivables

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade receivable considered good- Unsecured		
- Related parties	17,19,347	1,51,00,862
- Others	11,07,31,344	6,94,13,387
Trade receivable which have significant increased in credit risk	-	-
Trade receivable- Credit impaired	-	-
Total	11,24,50,691	8,45,14,249

13. Current financial assets- Cash & cash equivalents

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with banks		
In Current accounts	22,34,792	3,88,045
Cash on Hand	91,876	78,831
Total	23,26,668	4,66,876



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

14. Current financial assets -Loans

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good Loans to Employees	35,820	-
Total	35,820	-

15. Current financial assets- Other

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Firm Commitment on Purchases	4,85,570	-
Firm Commitment on Sale	-	14,79,144
Imprest with Employees	1,26,776	1,49,015
Interest Accrued - on Fixed Deposit	1,17,126	16,251
Total	7,29,472	16,44,410

16. Current tax (Asset)/ liabilities (net)

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax	67,72,825	62,62,913
Less:		
Advance Income Tax/ Tax Deducted at Source	73,89,857	52,99,248
Total	(6,17,032)	9,63,665

17. Other current assets

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Govt. authorities	4,21,72,100	67,13,621
Trade Advance	28,41,375	77,02,058
Pre-paid expenses	48,511	24,780
Export Incentive Receivable	1,83,752	4,96,002
Total	4,52,45,738	1,49,36,461



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

18. Share capital

(Amount in Rs.)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs.10/-each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued				
Equity shares of Rs.10/-each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Subscribed & fully paid-up				
Equity shares of Rs.10/-each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	1,00,00,000	10,00,000	1,00,00,000

18.1. 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 :

(Amount in Rs.)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the Year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Add: Issued during the Year	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the close of the Year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

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

(Amount in Rs.)

Class of shares/Name of the shareholders:	As at 31.03.2020		As at 31.03.2019	
	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.	5,10,000	51%	5,10,000	51%
(ii) Titan Metal Fabricators Inc	4,90,000	49%	4,90,000	49%

- (d) The Company has not issued any share other than cash from the incorporation of the Company.



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

19. Other equity

Retained Earnings

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	2,41,59,316	83,71,831
Net profit for the year	1,84,91,275	1,57,87,485
Less: Appropriations		
- Dividend Distribution Account- Final Dividend	50,00,000	-
- Dividend distribution tax	10,27,765	-
Closing Balance	3,66,22,826	2,41,59,316

Note 19.1 : Nature and Purpose of Reserve

Retained Earnings

This comprise company's undistributed profit after taxes.

20. Non current- Lease liabilities

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Lease liabilities	2,09,89,221	-
Total	2,09,89,221	-

21. Non current- Provisions

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for warranty	2,22,106	2,88,163
Provision for employee benefits:		
-Gratuity (unfunded)	1,41,793	77,135
-Leave encashment (unfunded)	2,55,304	50,679
Total	6,19,203	4,15,977



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

22. Current financial liabilities- Borrowings

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
From banks:		
Cash Credit Account (Refer note 22.1)	3,61,49,918	2,35,38,995
Working capital demand loan (WCDL) (Refer note 22.2)	12,41,80,308	4,50,33,842
Total	16,03,30,226	6,85,72,837

Note 22.1

Details of Securities offered for Cash credit :-

- 1.) Secured against first Pari-Passu charge on current assets including stocks & moveable fixed assets (excluding assets if any charged to term lenders)
- 2.) Corporate Guarantee of ISGEC Heavy Engineering Limited.
- 3.) Rate of interest is ranging from 9.35% to 10.50%

Note 22.2

Details of Securities offered for Working Capital Demand Loan :-

- 1.) Secured against first Pari-Passu charge on current assets including stocks & moveable fixed assets (excluding assets if any charged to term lenders)
- 2.) Corporate Guarantee of ISGEC Heavy Engineering Limited.
- 3.) Rate of interest is ranging from 8.25% to 9.75%



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

23. Current financial liabilities- Trade payables

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade payables		
a) To Micro and Small Enterprises	4,85,298	20,84,530
b) To other than Micro & Small Enterprises		
- To Related Parties	4,74,73,471	73,34,294
- To Others	91,35,399	1,12,27,563
Total	5,70,94,168	2,06,46,387

Note 23.1 : Trade payables to micro and small enterprises

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with the Company. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Amount remaining unpaid to any supplier		
-Principal amount remaining unpaid	4,85,298	20,84,530
-Interest due on above	-	-
(b) Interest paid under MSMED Act, 2006	-	-
(c) Interest due (other than (b) above)	-	-
(d) Interest accrued and unpaid	-	-
(e) Interest due and payable till actual payment	-	-

24. Current financial liabilities- Other

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits Receipts	3,00,000	-
Payable to employees	9,75,458	7,43,986
Forward Derivative	4,85,570	29,62,115
Supplier of Capital goods	5,31,025	11,400
Other payable:		
- Expenses Payable	21,46,985	1,50,838
- Stale Cheque	3,94,887	-
Total	48,33,925	38,68,339



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements as at 31.03.2020

25. Current financial liabilities- Lease liabilities

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Lease liabilities	58,99,225	-
Total	58,99,225	-

26. Other current liabilities

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance from Customers:		
- To Related Parties	1,01,58,897	88,01,700
- To Others	3,89,35,000	46,50,000
Statutory dues payable (including PF and tax deducted at source)	6,14,102	8,68,585
Other	6,265	-
Total	4,97,14,264	1,43,20,285

27. Short term provisions

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for warranty	2,47,513	1,41,226
Provision for employee benefits		
-Gratuity (unfunded)	204	143
-Leave encashment (unfunded)	11,719	3,865
Total	2,59,436	1,45,234



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the period ended 31.03.2020

28. Revenue from operations

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Sale of Products - Engineering Goods	25,20,55,221	28,44,41,736
Sale of Services	17,92,708	69,28,328
Other operating revenue	21,71,127	11,96,702
Total	25,60,19,056	29,25,66,766

Note 28.1 Other Operating Revenue

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Scrap and Waste Sale	12,56,871	7,00,700
Export Incentive received	9,14,256	4,96,002
Total	21,71,127	11,96,702

29. Other income

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest Income - On Bank Deposits	1,00,875	77,659
Excess Provision Written Back	-	8,785
Total	1,00,875	86,444



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the period ended 31.03.2020

30. Cost of materials consumed

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Raw Material Consumed (Refer Note 30.1)	22,97,17,922	15,28,04,645
Store consumed	9,68,438	5,89,791
Total	23,06,86,360	15,33,94,436

30.1 Details of Raw Materials and Components Consumed

(Amount in Rs.)

Type of Materials	Year ended 31.03.2020	Year ended 31.03.2019
Iron and Steel	12,81,70,410	3,10,70,739
Forgings	1,88,60,333	1,66,63,094
Tubes	5,81,55,971	7,42,86,588
Components issued for jobs	2,45,31,208	3,07,84,224
Total	22,97,17,922	15,28,04,645

31. Changes in inventories of finished goods, stock - in - trade & work - in - progress

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening stock		
Work - in - Progress	75,20,200	5,47,42,147
Total opening balance	75,20,200	5,47,42,147
Closing stock		
Work - in - Progress	10,72,89,967	75,20,200
Total closing balance	10,72,89,967	75,20,200
Net (Increase)/ Decrease in Inventory	(9,97,69,767)	4,72,21,947



32. Employee benefits expenses

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries & wages	78,34,321	46,48,377
Contribution to provident & other funds	4,87,958	3,31,039
Staff welfare expenses	21,589	6,000
Total	83,43,868	49,85,416

Note 32.1 Details of Employees Benefits Expenses

The disclosure of employee benefits as defined in IND AS-19 is given below:-

a) **Defined Contribution Plan:**

The Company has recognised, in the profit and loss account, expenses for the following Defined Contribution Plan:

Particulars	2019-20	2018-19
Provident Fund	2,58,163	1,27,118
Total	2,58,163	1,27,118

b) **Defined Benefits Plan**

(Amount in Rs.)

Description	Gratuity (Non Funded)	Leave Encashment (Non-funded)	Gratuity (Non Funded)	Leave Encashment (Non-funded)
	2019-20	2019-20	2018-19	2018-19
i. Change in Present value				
a. Present Value of Obligation at the beginning of the Period	77,278	54,544	0	0
b. Interest cost	5,919	4,178		
c. Current service cost	97,344	2,02,827	71,529	52,425
d. Benefits paid			5,749	2,119
e. Actuarial (gain) / loss	(38,544)	5,474		
f. Present Value of Obligation at the end of the Period	1,41,997	2,67,023	77,278	54,544
ii. Change in the Fair Value				
a. Fair Value of Plan Assets at the beginning of the Period				
Acquisition adjustment				
b. Fund opening difference				
c. Actual return on plan assets				
d. Fund charges				
e. Contributions				
f. Benefits paid				
g. Actuarial Gain / (Loss) on Plan Assets				
h. Fair Value of Plan Assets at the end of the Period	-	-	-	-
iii. Reconciliation of Fair				
a. Present Value of Obligation at the end of the Period	1,41,997	2,67,023	77,278	54,544
b. Fair value of Planned assets at the end of the Period	-	-	-	-
c. Amount recognised in the Balance Sheet	(1,41,997)	(2,67,023)	(77,278)	(54,544)
iv. Expenses reconciled in				
a. Current Service Cost	97,344	2,02,827	77,278	54,544
b. Net interest Cost	5,919	4,178	-	-
c. Expected Return on		5,474		
d. Net actuarial (gain)/loss recognised in profit/loss				
e. Expenses recognised in the statement of Profit & Loss	1,03,263	2,12,479	77,278	54,544



Description	Gratuity (Non- Funded)	Leave Encashment (Non-funded)	Gratuity (Non- Funded)	Leave Encashment (Non-funded)
	2019-20	2019-20	2018-19	2018-19
v. Recognised in other comprehensive income for the year				
a. Net cumulative unrecognized actuarial gain/(loss) opening				
b. Actuarial gain / (loss) for the year on PBO	-		-	
c. Actuarial gain / (loss) for the year on Asset				
d. Unrecognized actuarial gain/(loss) at the end of the year	-		-	
vi Maturity Profile of Defined Benefit Obligation				
1 Within the next 12 months (next annual reporting period)	204	11,719	143	3,865
2 Between 2 and 5 years	5,945	20,619	6,931	5,185
3 Between 6 and 10 years	1,35,848	2,34,685	70,204	45,494
vii Quantitative sensitivity analysis for significant assumptions is as below				
(i). Impact of the change in discount rate				
Present Value of Obligation at the end of the period	1,41,997	2,67,023	77,278	54,544
a. Impact due to increase of 0.50 %	(13,634)	(24,478)	(7,360)	(5,122)
b. Impact due to decrease of 0.50 %	15,428	27,614	8,327	5,816
(ii) Impact of the change in salary increase				
Present Value of Obligation at the end of the period	1,41,997	2,67,023	77,278	54,544
a. Impact due to increase of 0.50 %	15,399	27,532	8,380	5,854
b. Impact due to decrease of 0.50 %	(13,731)	(24,559)	(7,467)	(5,196)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(ii) Sensitivity Analysis

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

viii	Major categories of plan assets (as percentage of total plan assets)				
	Insurer Managed Funds	100%		100%	
ix	Actuarial assumptions				
a.	Economic Assumptions				
i.	Discounting Rate	6.80%	6.80%	7.66%	7.66%
ii.	Salary escalation	6.50%	6.50%	6.50%	6.50%
b.	Demographic Assumption				
i.	Retirement Age (Years)	60	60	60	60
ii.	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)			
iii.	Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
	Up to 30 Years	3	3	3	3
	From 31 to 44 years	2	2	2	2
	Above 44 years	1	1	1	1
	Mortality Rates for specimen ages				

Age	Mortality Rate	Age	Mortality Rate	Age	Mortality Rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.001680	70	0.024058	100	0.397733



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the period ended 31.03.2020

33. Finance costs

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest Expense	99,76,905	52,73,578
Other borrowing costs	1,00,000	1,00,000
Interest on Lease Liability	18,28,474	-
Total	1,19,05,379	53,73,578

34. Depreciation and amortization expense

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Depreciation of Property, Plant & Equipment	8,09,012	3,14,841
Amortization of Intangible assets	25,230	3,200
Depreciation on Lease Asset	62,11,994	-
Total	70,46,236	3,18,041

35. Other expense

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Other Manufacturing Expenses	4,04,86,948	2,45,00,657
Packing, Forwarding & Transportation Charges	16,35,082	13,86,776
Bank Charges	11,03,489	9,03,570
Facility Charges	29,04,968	61,50,469
General Expenses	9,00,520	4,57,544
Foreign Exchange Fluctuation	81,87,245	2,27,774
Printing & Stationary	38,523	1,11,180
Brokerage and Commission	-	5,60,498
News Paper & Periodicals (Reimbursement)	11,419	3,000
Loss on Assets write off	13,396	-
Rates & Taxes	30,000	55,224
Repair & Maintenance:		
- Machinery repair	7,40,515	20,38,035
- Building Repair	2,90,041	9,97,728
- Furniture and Other Repairs	66,871	1,02,078
Telephone Expenses	24,988	-
Advertisement Charges	2,77,770	7,31,401
Insurance Charges	1,54,862	95,097
Travelling Expenses	27,73,742	23,67,926
Professional Services	1,35,06,000	1,85,71,595
Auditors Remuneration:		
Statutory audit fees	60,000	60,000
Total	7,32,06,379	5,93,20,552



ISGEC Titan Metal Fabricators Private Limited
Notes to the Financial Statements for the period ended 31.03.2020

36. Tax expense

(a) Income Tax Expense

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(a) Current Taxes		
Current tax on profits for the year	67,72,825	62,64,826
Adjustments for current tax of prior periods	-	(57,320)
Total Current tax Expense	67,72,825	62,07,506
(b) Deferred Tax		
Decrease/ (Increase) in deferred tax assets	(5,62,624)	44,249
Total	62,10,201	62,51,755

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

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before income tax expense	2,47,01,476	2,20,39,240
Tax at Indian tax rate of 25.168% (in 2018-19 tax rate was 27.82%)	62,16,867	61,31,317
Add: Change in rate of Tax	(6,666)	1,20,438
Income tax Expense	62,10,201	62,51,755



ISGEC Titan Metal Fabricators Private Limited

Notes to the Financial Statements for the period ended 31.03.2020

37 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 31.03.2020	Year ended 31.03.2019
Net Profit / (Loss) available to Equity Shareholders (in Rs.)	1,84,91,275	1,57,87,485
Number of Equity Shares outstanding during the year for the purpose of calculation of Earning Per Share	10,00,000	10,00,000
Nominal value of Equity Share (In Rs.)	10.00	10.00
Basic & Diluted Earning per Share (In Rs.)	18.49	15.79

38 Contingent Liabilities & Assets

Contingent Liabilities not provided for:

(Amount in Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
I. Bonds executed in favour of President of India against advance authorization.	2,22,21,000	-
II. Letters of Credit outstanding at year end	1,77,00,000	15,84,000

39 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 AS-108, Segment Reporting. Hence, separate business segment information is not applicable.

The MD 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.

- a) The company is domiciled in India. The amount of its revenue is broken on the basis of location of customer.

(Amount in Rs.)

Description	Year ended 31.03.2020			Year ended 31.03.2019		
	India	Outside India	Total	India	Outside India	Total
Revenue from Customers	7,07,78,992	18,52,40,064	25,60,19,056	24,97,93,141	4,27,73,625	29,25,66,766

- b) These assets are allocated based on the operation and physical location of the assets.

(Amount in Rs.)

Description	Year ended 31.03.2020			Year ended 31.03.2019		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of assets	50,17,470	-	50,17,470	24,35,588	-	24,35,588
Addition to fixed assets	38,12,595	-	38,12,595	13,44,877	-	13,44,877



ISGEC Titan Metal Fabricators Private Limited

Notes to the Financial Statements for the period ended 31.03.2020

40 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 31.03.2020	As at 31.03.2019
(i)	Joint Venture Partner			
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 Muscarella	Director		
(iii)	Entities over which key management personnel can exercise significant influence			
1	Yamuna Syndicate Limited			
2	ISGEC Hitachi Zosen Limited			

2) Details of related party transactions and outstanding balance as at 31st March,2020

S. No.	Nature of Transaction/ Relationship	2019-20	2018-19
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	2,21,80,400	2,35,847
ii)	Services Received	4,42,68,267	3,75,21,992
iii)	Sale of Goods	3,76,26,250	1,56,96,140
iv)	Services Rendered	17,92,708	50,54,994
	- ISGEC Hitachi Zosen Limited		
i)	Services Received	-	4,28,560
ii)	Purchase of Goods	7,85,950	-
	- Titan Metal Fabricators		
i)	Purchase of Goods	-	7,700
	- The Yamuna Syndicate Limited		
i)	Purchase of Goods	37,800	-
ii)	Purchase of Capital Goods	-	8,776
b)	Amount due to / from related parties		
	Joint Venture Partners		
	- ISGEC Heavy Engineering Limited		
i)	Amount payable as at year end	5,55,44,568	10,35,132
	- ISGEC Hitachi Zosen Limited		
i)	Amount payable as at year end	3,68,453	-
	- Titan Metal Fabricators		
i)	Amount receivable as at year end	-	16,213

Terms and Conditions

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances at the year end are un-secured and settlement occurs in cash.



41 : Fair Value Measurement

Financial instruments by category

Particulars	As at 31.03.2020			As at 31.03.2019		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Forward derivatives						
Trade receivables	11,24,50,691			8,45,14,249		
Cash and cash equivalents	23,26,668			4,66,876		
Others	14,30,000			14,30,000		
Bank Balances				0		
Total Financial Assets	11,62,07,359			8,64,11,125		
Financial Liabilities						
Forward derivatives		4,85,570			29,62,115	
Borrowings	16,03,30,226			6,85,72,837		
Trade payables	5,70,94,168			2,06,46,387		
Other Financial Liabilities	48,33,925			38,68,339		
Total Financial Liabilities	22,22,58,319			9,30,87,563		

(i) Fair Value Hierarchy

This section explains the judgements 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 company has classified its financial instruments into three levels prescribed under the accounting standards.

The following table 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 (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31.03.2019	Fair Value Measurement using			
	Carrying Value 31.03.2019	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets	-	-	-	-
Other	14,30,000			14,30,000
Total Financial Assets	14,30,000	-	-	14,30,000
Financial Liabilities				
Borrowings				-
Trade payables				-
Other financial liabilities				-
Total Financial liabilities	-	-	-	-



ISGEC Titan Metal Fabricators Private Limited

Financial Instruments- Accounting classification and fair value measurement

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31.03.2020	Fair Value Measurement using			
	Carrying Value 31.03.2020	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets	-	-	-	-
Other	14,30,000	-	-	14,30,000
Total Financial Assets	14,30,000	-	-	14,30,000
Financial Liabilities				
Borrowings		-		-
Trade payables				-
Other Financial Liabilities				-
Total Financial liabilities	-	-	-	-

Valuation technique used to determine fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

- > the use of quoted market prices or dealer quotes for similar financial instruments.
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.



ISGEC Titan Metal Fabricators Pvt. Ltd.

Notes to the Financial Statements as at and for the year ended 31.03.2020

42 Financial Risk Management

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

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise adverse effects on the financial performance of the Company, derivative financial instruments such as forward contracts and interest rates swaps are entered into to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not for trading and speculative instruments.

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, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31st March 2019 and 31st March 2020.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations.

(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. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

(Amount in Rs.)

Particulars	31-03-2020	31-03-2019
Variable rate borrowings	16,03,30,226	6,85,72,837
Fixed rate borrowings		
Total borrowings	16,03,30,226	6,85,72,837

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

(Amount in Rs.)

Particulars	31-03-2020			31-03-2019		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Loans repayable on demand (Cash Credit)	9.92%	16,03,30,226	100%	9.61%	6,85,72,837	100%
External Commercial Borrowings (including USD INR Hedging Cost)	-	-	-	-	-	-
Interest rate swaps (Notional principal)	-	-	-	-	-	-
Net exposure to cash flow interest		16,03,30,226			6,85,72,837	

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
INR	+60	+60	9,61,981	4,11,437
	-60	-60	9,61,981	4,11,437



ISGEC Titan Metal Fabricators Pvt. Ltd.

Notes to the Financial Statements as at and for the year ended 31.03.2020

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 6 months	6-12 months	More than 12 Months	Total
As at 31-03-2020					
Gross Carrying Amount	11,24,50,691	-	-	-	11,24,50,691
Expected loss Rate (in percentage)		-			
Expected Credit Loss (in Rs.)					-
Carrying Amount (net of impairment)	11,24,50,691	-	-	-	11,24,50,691

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 Months	Total
As at 31-03-2019					
Gross Carrying Amount	3,99,82,522	4,45,31,727	-	-	8,45,14,249
Expected loss Rate (in percentage)		-			
Expected Credit Loss (in Rs.)					-
Carrying Amount (net of impairment)	3,99,82,522	4,45,31,727	-	-	8,45,14,249

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward- looking estimates are analysed. In case of probability of non collection, default rate is 100%.

b) The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

Particulars	ECL for Trade Receivables
As at 01-04-2019	-
Provided during the year	-
Reversed During the Year	-
As at 31-03-2020	-

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:

(Amount in Rs.)

As at 31-03-2020	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	16,03,30,226	16,03,30,226			16,03,30,226
Trade payables	5,66,08,870		5,66,08,870		5,66,08,870
Other Liabilities	48,33,925		48,33,925		48,33,925
Total	22,17,73,021	16,03,30,226	6,14,42,795	-	22,17,73,021

As at 31-03-2019	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	6,85,72,837	6,85,72,837			6,85,72,837
Trade payables	1,85,61,857		1,85,61,857		1,85,61,857
Other Liabilities	38,68,339		38,68,339		38,68,339
Total	9,10,03,033	6,85,72,837	2,24,30,196	-	9,10,03,033

Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at 31.03.2020	As at 31.03.2019
Fund based limit	3,96,69,774	8,14,27,163



ISGEC Titan Metal Fabricators Pvt. Ltd.

Notes to the Financial Statements as at and for the year ended 31.03.2020

(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 the Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

(Amount in Rs.)			
Foreign currency exposure as at 31st March, 2020	USD	Euro	Total
Trade Receivables	11,46,28,935	-	11,46,28,935
Trade payables	51,877	4,61,988	5,13,865
Hedged Portion	11,26,47,040	4,61,988	11,31,09,028
Net Exposure to foreign currency risk	20,33,772	-	20,33,772
Foreign currency exposure as at 31st March, 2019	USD	Euro	Total
Trade Receivables	1,08,42,975	-	1,08,42,975
Trade payables	47,600	10,08,857	10,56,457
Hedged Portion	98,18,866	10,08,857	1,08,27,723
Net Exposure to foreign currency risk	10,71,709	-	10,71,709

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

Particulars	2019-20		2018-19	
	1% increase	1% decrease	1% increase	1% decrease
USD	20,338.00	20,338.00	10,717.09	10,717.09
Euro	-	-	-	-

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

(c) Price Risk

The company does not hold any investments in equity as well as in debt instrument. Therefore, the company is not exposed to any price risk.

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.



ISGEC Titan Metal Fabricators Private Limited

Notes to the Financial Statements as at and for the year ended 31.03.2020

43. Capital Management

(a) Risk Management

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Borrowings	16,03,30,226	6,85,72,837
Less : Cash & Cash Equivalents (note 13)	23,26,668	4,66,876
Net Debt	15,80,03,558	6,81,05,961
Total Equity	4,66,22,826	3,41,59,316
Total Capital and Net Debt	20,46,26,384	10,22,65,277
Net debt to debt and equity ratio (Gearing Ratio)	0.77	0.67

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 22.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

In order to achieve this overall objective, the Group'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 call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.



ISGEC Titan Metal Fabricators Private Limited

Notes to the Financial Statements as at and for the year ended 31.03.2020

44. Covid-19 impact

Pursuant to outbreak of Coronavirus Disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Company and has impacted the overall business activities of the Company. On account of this, management has prepared future cash flow projections and also assessed the recoverability of its assets using various internal and external information up-to the date of approval of these financial statements. Further on the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

