K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

R-79, GREATER KAILASH-I,
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INDEPENDENT AUDITOR'S REPORT

To the Members of Isgec Covema Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Isgec Covema Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit/loss including other comprehensive income, its cash flows and the changes in equityfor the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics'issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

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

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Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

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

K. C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

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

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes in probable that the economic decisions of a resonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31,2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the company for the year ended 31st.March,2019.

(h)With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

K. C. MALHOTRA & CO. ★ New Delhi ★ CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
Membership Number: 013624
Place of Signature: New Delhi
Date: 16th.May,2019

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Annexure 'A' to the Independent Auditors' Report

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

i)The Company does not have any tangible assets as at March 31, 2019 and, accordingly, the requirements under paragraph 4(i) of the Order are not applicable to the Company.

ii)The Company's business does not involve inventories and accordingly the requirements paragraph 4(ii) of the Order are not applicable to the Company.

iii)According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to, companies, Limited Liability Partnership, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

iv)In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees, and security in terms of Section 185 and 186 of the Companies Act, 2013.Hence, reporting under clause 3(iv) of the order is not applicable to the company.

v) The Company has not accepted any deposits from the public.

vi) Maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013

vii) According to the information and explanations given to us, in respect of statutory dues:

a) The company is regular in depositing undisputed statutory dues including income -tax, goods and service tax , cess and other material statutory dues applicable to it with the appropriate authorities. The provisions related to provident fund, employees' state insurance, duty of custom, excise duty and value added goods, are not applicable to company.

b) There were no undisputed amounts payable in respect of income- tax, goods and service tax , cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable. The provisions related to provident fund, employees' state insurance, duty of custom, excise duty and value added goods are not applicable to the company.

c) There are no dues of income tax, sales tax, goods and service tax and cess which have not been deposited on account of any dispute. The provisions related to provident fund ,Employees state insurance, customs duty, excise duty and value added tax are not applicable to the company.

viii)The Company did not have any outstanding dues from banks, financial institutions, debenture holders or government.

ix) The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) or term loans during the year and hence, reporting under clause (ix) of the order is not applicable to the Company,

K. C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.

xii) In our opinion, the Company is not a nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company..

xiii) According to the information and explanations given by the management, there are no transactions with the related parties during the year under audit and accordingly reporting under clause 3(xiii) in so far as relates to section 188 of the Act is not applicable to the company. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the Company..

xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under clause 3(xiv) of the Order is not applicable .

xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable.

xvi)The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

(Ramesh Malhotra)
Partner
Membership No.013624
Place of Signature: New Delhi
Date:16th.May,2019

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Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Isgec Covema Limited of even date)

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

We have audited the internal financial controls over financial reporting of Isgec Covema limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2019.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

K. C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles , and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K.C. MALHOTRA & CO. CA New Delhi CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
Membership No: 013624
Place of signature: New Delhi
Date:16th.May,2019

ISGEC COVEMA LIMITED
CIN: U52109DL1986PLC025908
BALANCE SHEET AS AT 31.03.2019

(IN INR)

	Note	31.03.2019	31.03.2018
ASSETS			
Non - current assets			
(a) Property,plant and equipment			
(b) Financial assets			
(i) Investments			
(ii) Trade receivables	3	6,626,150	8,194,140
(iii) Loans			
(iv) Others	4	30,000	30,000
(c) Deferred tax assets (net)	5	2,351,245	2,304,883
(d) Other non - current assets	6	4,036,589	4,036,589
Total non-current assets		13,043,984	14,565,612
Current assets			
(a) Inventories			
(b) Financial assets			
(i) Investments			
(ii) Cash and cash equivalents	7	11,697,546	10,541,233
(iii) Others (to be specified)	8	140,021	125,259
(c) Current tax assets (net)	9	123,293	54,764
(d) Other current assets	10	34,922	28,847
Total current assets		11,995,782	10,750,103
Total assets		**25,039,766**	**25,315,715**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	20,000,000	20,000,000
(b) Other equity	12	4,554,568	4,677,767
Total equity		24,554,568	24,677,767
LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings			-
(ii) Trade payables			
ii)(a) Total outstanding dues to micro enterprises and small enterprises			
(ii)(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	13	14,400	167,150
(iii) Other financial liabilities			
(b) Provisions			
(c) Deferred tax liabilities (net)			
(d) Other non - current liabilities			
(e) Contract liability	14	442,104	442,104
Total non-current liabilities		456,504	609,254
Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables			
ii)(a) Total outstanding dues to micro enterprises and small enterprises			
(ii)(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	13	28,694	28,694
(iii) Other financial liabilities			
(b) Other current liabilities			
(c) Provisions			
(d) Current tax liabilities (net)			
Total current liabilities		28,694	28,694
Total equity and liabilities		25,039,766	25,315,715

The accompanying notes are an integral part of these financial statements

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

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: 16/05/2019

K.C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(S.K. Khorana)
Director
DIN: 0000085300

(V.K Luthra)
Director
DIN: 0002837289

ISGEC COVEMA LIMITED

CIN: U52109DL1986PLC025908

STATEMENT OF PROFIT ANT LOSS FOR THE YEAR ENDED 31.03.2019

(IN INR)

Income	Note	31.03.2019	31.03.2018
Other Income	15	701,041	680,594
Total income)		**701,041**	**680,594**
Expenses			
Erection & Civil Cost	16	1.000.000	1.717.969
Finance costs	17	885	196,982
Other expenses	18	(130,283)	(37,951)
Total expenses		**870,602**	**1,877,000**
Profit / (loss) before tax		(169,561)	(1,196,406)
Tax expense	19		
(1) Current tax			
(2) Deferred tax		46,362	252,338
Profit / (loss) for the year		(123,199)	(944,068)
Other comprehensive income			
Total comprehensive income/(Loss) for the year		**(123,199)**	**(944,068)**
Earnings per equity share			
Basic & Diluted	20	(0.062)	(0.47)

The accompanying notes are an integral part of these financial statements

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

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: 16/05/2019

K.C. MALHOTRA & CO. CA New Delhi CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(S.K. Khorana)
Director
DIN: 0000085300

(V.K Luthra)
Director
DIN: 0002837289

Isgec Covema Limited
CIN: U52109DL1986PLC025908
Cash Flow Statement for the year ended 31st March.2019

(IN INR)

	31.3.2019	31.3.2018
Cash flow from operating activities :		
Profit before tax	(169,561)	(1,196,406)
Adjustment for :		
Interest Income	(701,041)	(680,594)
Change in Operating assets and liabilities		
Decrease /(increase) in operating assets:		
Non-current financial assets -Trade receivables	1,567,990	1,546,172
Other non-current assets	-	(23,156)
Other financial assets	(14,762)	108,737
Current tax assets (net)	(68,529)	(20,892)
Other current assets	(6,075)	(4,740)
Increase / (decrease) in Operating Liabilities :		
Trade payable	(152,750)	(44,959)
Other Current Liabilities	-	(3,016)
Cash generated from operations	455,272	(318,854)
Taxes paid	-	-
Net cash Inflow/(outflow) from operating activities	**455,272**	(318,854)
Cash flows from investing activities :		
Interest Received	701,041	680,594
Net Cash Inflow (outflow) from Investing Activities	**701,041**	680,594
Cash flows from financing activities :		
Net cash inflow (outflow) from financial Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	1,156,313	361,740
Cash and Cash Equivalents as at the beginning of the y	10,541,233	10,179,493
Cash and Cash Equivalents as at the end of the year	11,697,546	10,541,233
Components of cash and cash equivalents		
Balance with banks	168781	230218
Bank fixed deposit	11528765	10311015
Cash and cash equivalents	11697546	10541233

Notes: 1 The above cash flow statement has been prepared under the Indirect method set out in Indian Accounting Standard (IND AS) 7.

2 .Reconciliation of liabilities arising from financing activities

Particulars	Short-term borrowings
Opening balance as on 1st.April,2018	-
Non-cash changed due to:	
-Interest expense	-
-Others	-
Cash flows during the year	-
Closing balance as on 31st.March,2019	-

3. Previous year's figures have been regrouped and recast wherever necessary to conform to the current year classification/disclosure.

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

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: 16/05/2019

K.C. MALHOTRA & CO. CA New Delhi CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(S.K. Khorana)
Director
DIN: 0000085300

(V.K Luthra)
Director
DIN: 0002837289

Isgec Covema Limited
Notes to financial statements for the year ended 31.03.2019

Statement of changes in equity

A : Equity share capital

(IN INR)

As at 1.4.2017		20,000,000
Changes in equity share capital	-	
As at 31.3.2018		**20,000,000**
Changes in equity share capital	-	
As at 31.3.2019		**20,000,000**

B : Other equity

(IN INR)

Particulars	Retained Earnings
As at 01.04.2017	**5,621,835**
Profit/(loss) for the year	(944,068)
Total comprehensive income	4,677,767
As at 31.3.2018	**4,677,767**
Balance as at 31.3.2018	**4,677,767**
Profit/(Loss) for the year	(123,199)
Total comprehensive income	4,554,568
As at 31.3.2019	**4,554,568**

The accompanying notes are an integral part of these financial statements

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

K.C. MALHOTRA & CO. CA New Delhi CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: 16/05/2019

For and on behalf of the Board of Directors

(S.K. Khorana)
Director
DIN: 0000085300

(V.K Luthra)
Director
DIN: 0002837289

Isgec Covema Limited

Note 1 :Corporate information

The company is a limited company domiciled in India with its registered office at 860, New Friends colony, New Delhi-110065 and is incorporated under the provisions of the Companies Act,2013 as applicable in India The company is the wholly owned subsidiary company of Isgec Heavy Engineering Limited holding the entire share capital alongwith its nominees.
The company is engaged in erection and commissioning of industrial boilers, sugar plants and related accessories.

Note 2 : Summary of Significant Accounting Policies

(a) Basis of preparation and Statement of Compliance

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

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

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below (as applicable).The financial statements were authorised for issue by the company's Board of Directors on 16th. May,2019.

(b) Accounting estimates , assumptions and judgments

The preparation of financial statements requires management to make judgments, 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 outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period. The area involving critical estimate or judgment is recognition of deferred tax assets for carried forward losses, impairment of trade receivables and estimation of tax expense.

(c) Current versus Non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non- current classification. An asset is treated as current when it is:

*Expected to be realised in normal operating cycle,

*Held primarily for the purpose of the trading,

*Expected to be realised within twelve months after the reporting period, or

*Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

*It is expected to be settled in normal operating cycle,

*It is held primarily for the purpose of the trading,
*It is due to be settled within twelve months after the reporting period, or

K.C. MALHOTRA & CO. CA New Delhi CHARTERED ACCOUNTANTS

*There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

(d) Cash and cash equivalents

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

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) -7 "Statement of Cash flows" using the indirect method for operating activities.

(e) Provisions, Contingent Liability and Contingent Assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when a possible obligation from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or uncertain events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of obligation be measured with sufficient reliability.

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

Contingent liabilities and contingent asset are not recognised but are disclosed in notes.

(f) Taxes

Current income tax
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.Current income tax is charged at the end of reporting year to statement of profit and loss. However, no provision for tax has been made during the year as there is no assessable income.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Such deferred tax assets and liabilities are not recognised if the

K. C. MALHOTRA & CO. ★ CHARTERED ACCOUNTANTS New Delhi temporary differences arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

In assessing the reliability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, tax-planning strategies in making the assessment. Based on the level of historical taxable income and projections for future taxable over the periods in which the deferred income tax assets are deductible, the Management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near future if estimates of future taxable income during the carry forward are reduced.

(g) Revenue recognition

Revenue from contracts with customers

Effective April 1,2018, the Company adopted IND AS 115 "Revenue from Contracts with Customers", using the cumulative catch up transition method, applied to contracts that were not completed as of 1st.April,2018,if any. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant policies related to revenue recognition

Sale of products

Revenue is recognised upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services

Revenue is measured at the transaction price.

Revenue from construction contracts

Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognise revenue on the basis of costs incurred to date compared to total estimated contract costs.

Contract Costs comprise of costs that directly relate to specific contract, costs that are attributable to contract activity in general and can be allocated to contract and such other costs as are specifically chargeable to the customer under the terms of contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned income)

The impact on account of applying the erstwhile IND AS 18, instead of IND AS 115 Revenue from contracts with customers on the financial results of the company for the year ended 31st.March,2019 are insignificant.

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Significant accounting policies contd.

Interest income
Interest income is accounted on a time proportion basis taking into account outstanding and the effective interest rate(EIR).Effective rate of interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(h) Earning per share (EPS)

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

(i) Borrowing costs

Borrowing costs consists of interest and other costs, and are expensed in the period in which they are incurred.

(j) Financial instruments

(i)Measurement
An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset.Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

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

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

***Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gain/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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

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

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

(iii)Derecognition

Financial assets

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

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

Financial liabilities

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

(k) Offsetting financial instruments

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

(l) Trade payables

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

(m) Recent Accounting Developments

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified amendments on 30th. March,2019 to certain Ind ASs, but not yet effective, upto the date of issuance of company's financial statements are detailed below. These amendments are now effective from financial years beginning on or after April 1, 2019.

A) New Standard IND AS 116 Leases:

Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the under lying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially

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carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or "after April 1, 2019.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application OR

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company will adopt this standard ,if applicable, when this will become effective

B) Amendments to other IND As

i) IND AS 12,Appendix C, Uncertainty over Income tax Treatments :

Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is evaluating the requirements of the amendment and its impact, if any, on the financial statements.

(ii) Ind AS 12 – Income taxes:

The amendment to the guidance in Ind AS 12, 'Income Taxes', is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not have any impact on account of this amendment.

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Significant accounting policies contd.

iii) Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The company does not have any impact on account of this amendment.

iv) IND AS 109 Financial Instruments

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than The unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

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Notes to financial statements for the year ended 31.3.2019

Note 3 : Non Current Financial Assets -Trade Receivables

(IN INR)

Particulars	31.03.2019	31.03.2018
Secured considered good	-	-
Unsecured considered good	7,362,389	9,104,600
Less: Allowance for Doubtful Debts	(736,239)	(910,460)
Total Trade receivables	**6,626,150**	**8,194,140**

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

Note 4 :Non Current Financial Assets -Others

(IN INR)

	31.03.2019	31.03.2018
		-
Security deposit (Unsecured)	30,000	30,000
Total non-current financial assets-others	**30,000**	**30,000**

Note 5: Deferred tax assets / liabilities (net)

The balance comprises temporary differences arttribututable to : (IN INR)

	31.03.2019	31.03.2018
Deferred tax assets/(Liabilities)		
Tax losses	2159823	2,070,440
Other items		
Derivatives :		
-Allowance for doubtful debts-Trade receivables	191422	234,443
Net deferred tax assets / (liabilities)	**2,351,245**	**2,304,883**

Movements in deferred tax assets/ (Liabilities) (IN INR)

	Tax losses	Other items	Total
At 1st.April,2018	**2,070,440**	**234,443**	**2,304,883**
(charged) / credited			
-to profit and loss	89,383	-43,021	46,362
As at 31.3.2019	**2,159,823**	**191,422**	**2,351,245**

Note 6 :Other non current assets

(IN INR)

	31.03.2019	31.03.2018
Balance with Govt authorities		-
-WCT receivables	2,489,762	2,489,762
-Service tax on input services	1,546,827	1,546,827
Total other non-current assets	**4,036,589**	**4,036,589**

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Notes to financial statements for the year ended 31.3.2019

Note 7: Current Financial Assets- Cash and cash equivalents (IN INR)

		31.03.2019	31.03.2018
Balances with banks			
- In current accounts		168,781	230,218
Bank fixed deposit with maturity within twelve months		11,528,765	10,311,015
Total Cash and cash equivalents		**11,697,546**	**10,541,233**

Note 8 :Other financial assets (IN INR)

		31.03.2019	31.03.2018
Interest accrued but not due on deposits		140,021	125,259
Total other financial assets		**140,021**	**125,259**

Note 9 :Current tax assets (net) (IN INR)

		31.03.2019	31.03.2018
Taxes recoverable		123,293	54,764
MAT credit entitlement		28,582	28,582
Less: Provision for MAT		(28,582)	(28,582)
Total current assets (net)		**123,293**	**54,764**

Note 10 : Other Current Assets (IN INR)

		31.03.2019	31.03.2018
Balance with Govt authorities			
-Service tax on input services		15,833	17,021
-CGST ITC - UP		7,533	5,913
-SGST ITC - UP		7,533	5,913
-IGST ITC - UP		4,023	
Total other current assets		**34,922**	**28,847**

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Note 11 : Equity share capital

(IN INR)

Particulars	31.3.2019		31.3.2018	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital Equity shares of 10/- each with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
Issued,subscribed and paid up Equity shares of Rs.10/-each fully paid up with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
Total Equity share capital	**2,000,000**	**20,000,000**	**2,000,000**	**20,000,000**

(i)Terms and rights attached to equity shares

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

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

(IN INR)

Particulars	31st.March,2019		31st.March,2018	
	No.of shares	Amount	No.of shares	Amount
Equity shares				
At the commencement of the year	2,000,000	20,000,000	2,000,000	20,000,000
Add: issued during the year		-	-	
At the end of the year	2,000,000	20,000,000	2,000,000	20,000,000

(iii) Equity shares of the company held by holding company

Particulars	31.3.2019	31.3.2018
Isgec Heavy Engineering Limited *	2,000,000	2,000,000

(iv) Detail of equity shares held by shareholders holding more than 5% shares of total number of equity shares

Particulars	31.3.2019		31.3.2018	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares with voting rights Isgec Heavy Engineering Limited *	2,000,000	100	2,000,000	100

* Out of 2,000,000 shares held by Isgec Heavy Engineering Limited 100 shares are held by six nominees of Isgec Heavy Engineering Liimited

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Notes to financial statements for the year ended 31.3.2019

Note 12 : Other equity

(IN INR)

	31.3.2019	31.3.2018
Retained earnings (i)	4,554,568	4,677,767
Total reserves and surplus	**4,554,568**	**4,677,767**

(i) Retained earnings

(IN INR)

	31.3.2019	31.3.2018
Opening balance	4,677,767	5,621,835
Profit /(Loss) for the year	(123,199)	(944,068)
Closing balance	**4,554,568**	**4,677,767**

Retained earnings

This represents appropriation of profit after taxes by the company

Note 13 : Trade payables

(IN INR)

	31.3.2019		31.3.2018	
	Non-current	Current	Non-current	Current
Dues to micro, small and medium enterprises #	-	-	-	-
Payables Other than MSME	14,400	28,694	167,150	28,694
Total trade payables	**14,400**	**28,694**	167,150	28,694

 # Disclosures as per Micro,Small and Medium Enterprises Development Act,2006 (MSMED)

Particulars	31.3.2019	31.3.2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	--	--
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	--	--
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	--	--
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	--	--
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	--	--
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	--	--
Further interest remaining due and payable for earlier years	--	--

Note 14 : Contract liability

(IN INR)

	31.3.2019		31.3.2018	
	Non-current	Current	Non-current	Current
-Advance from customers	442,104		442,104	
	442,104		442,104	-

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Notes to financial statements for the year ended 31.3.2019

Note 15: Other Income (IN INR)

	31.3.2019	31.03.2018
Interest on Fixed deposit	701,041	678,052
Interest on Income tax refund		2,542
Total other income	**701,041**	**680,594**

Note 16: Erection Cost

	31.3.2019	31.03.2018
Erection Contracts	1,000,000	1,717,969
Total erection cost	**1,000,000**	**1,717,969**

Note 17: Finance costs (IN INR)

	31.3.2019	31.03.2018
Interest - late deposit of service tax		195,915
Other borrowing costs	885	1,067
Total finance costs	**885**	**196,982**

Note 18: Other expenses (IN INR)

	31.3.2019	31.03.2018
Rates and taxes		44
Local Conveyance		328
Rent		9000
Printing and stationery		530
Legal and professional charges	27,288	107,294
Payment to Statutory Auditors		
-Statutory audit fees	15,000	15,000
-Other Services	1,650	1,650
-service tax		
Expected Credit Loss	(174,221)	(171,797)
Total other expenses	**(130,283)**	**(37,951)**

Note 19 Tax expense (IN INR)

Particulars	**31.3.2019**	**31.03.2018**
a) Current tax		
Total current tax expense	-	-
b) Deferred tax	(46,362)	(252,338)
Total deferred tax expense	(46,362)	(252338)
Total Income tax expense	(46,362)	**(252338)**

Reconciliation of tax expense and accounting profit multiplied by tax rate (IN INR)

Profit /(loss) before tax	(169,561)	(1,196,406)
Tax @26 % (30.90 % 2017-18)	(44,086)	(308,075)
Tax effect amounts which are deductible in calculating taxable income/(loss)	45,297	44,238
Adjustment for prior years	(47,573)	11,499
Income tax expense	**(46,362)**	**(252,338)**

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Notes to financial statements for the year ended 31.3.2019

Note 20 : Earnings per share (EPS)

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

(IN INR)

Particulars	31.3.2019	31.3.2018
Profit /(loss) attributable to equity shareholders	(123199)	(944068)
Weighted average number of equity shares	2,000,000	2,000,000
Nominal value of equity shares	10	10
Basic and Diluted earnings per share	-0.062	-0.47

Note 21: Related party disclosures

a) Enterprises exercising control	
i) Holding company	Isgec Heavy Engineeriing Limited
b) Enterprises where control of(a) (i) exists	
i) Subsidiaries	Saraswati Sugar Mills Limited (100%)
(Extent of holding)	Freelook Softwares Private Limited (100%)
	Isgec Engineering and Projects Limited(100%)
	Isgec Exports Limited (100%)
	Eagle Press and Equipment Co. Limited (Canada) (100%)
ii) Joint ventures	Isgec Hitachi Zosen Limited (51 % control)
	Isgec Foster Wheeler Boilers Private Limited (51% controL)
	Isgec Titan Metal Fabricators Private Limited (51% control)
	Isgec Redicam Enviro Solutions Private Limited (51% control)
c) Key Management Personnel	
i) Non-executive directors	Mr Aditya Puri
	Mr V.K.Luthra
	Mr S.K.Khorana

Note 21.1: Related party transactions

No transactions were carried out between the company and related parties during the year ended 31.3. ,2019 (Previous year ended 31.3.2018)

Note 22 : Fair value measurements

Set below,is a comparison by class of the carrying amounts and fair value of the Company's financial statements,other than those with carrying amounts that are resonable approximation of fair values :

Financial Instruments by category	**Carrying value**		**Fair value**	
	31.3.2019	**31.3.2018**	**31.3.2019**	**31.3.2018**
Financial assets at amortised cost				
Trade receivables	6626150	8194140	6626150	8194140
Security deposits	30000	30000	30000	30000
Cash and cash equivalents	11,697,546	10,541,233	11697546	10,541,233
Interest accrued abnd due	140,021	125,259	140021	125,259
Total filnancial assets	**18,493,717**	**18,890,632**	**18,493,717**	**18,890,632**
Financial liabilities at amortised cost				
Trade payables	43,094	195,844	43,094	195,844
Total financial liabilities	**43,094**	**195,844**	**43,094**	**195,844**

The carrying amounts of trade receivables,trade payables,cash and bank balances,and other financial assets are considered to be the same as their fair values

Note 23: Segment Information

The company is engaged in one segment of erection and commissioning of industrial boilers and sugar plants and related accessories,identified in accordance with principles enunciated in Indian Accounting Standard (IND AS-108),Segment Reporting.Hence,separate business segment information is not applicable. The Board of directors of the company has been identified as the The Chief Operating Decision Maker (CODM).The Chief Operating Decision Maker also monitors the 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.

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Notes to financial statements for the year ended 31.03.2019

Note 24 : Revenue from contracts with customers (Disclosure pursuant to IND AS 115)

Particulars	31.3.2019		31.3.2018
Revenue from contracts with customers	-		-
Contract balances -Trade receivables - Contract liability (refer note 14)	- 442,104		- 442,104
Amount of revenue recognised for : Amount included in the contractual liability of the beginning of the year	-		-

Reconciliation of revenue recognised in profit and loss and contracted price:
There is no reconciliation item between the amount of revenue recognised in the statement of profit and loss Rs NIL and with the contracted price.

Right to return asset and refund liability:
There is no right to return asset and refund liability with the company

Timing of recognition and method,and information about performance obligation:
-The timing for revenue recognition is services performed overtime
-The company uses input method for recoginising services overtime progressively by measuring the progress towards complete satisfaction of that performance obligation,because the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
-As the company recognises no revenue from services as on 31st.March,2019 (31st,march,2018),hence there is no remaining performance obligation to be performed next year.

Note 25 : Financial risk management

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

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

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

Trade receivables
Customer credit risk is managed by the company's established policy,procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and an impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix.
The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 4 .The company does not hold collateral as security .The company evaluates the concentration of risk with respect to trade receivables as low,as its customers are located in several jurisdictions and industries and operate in largely independent markets.Trade receivables are written off when there is no resonable expectations of recovery or failing to engage in a repayment plan with the company.

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
As at 31.3.2018					
Gross carrying amount				9,104,600	9,104,600
Expected credit loss				-910,460	-910,460
Carrying amount of trade receivables (net of impairment)	-	-	-	8,194,140	8,194,140
As at 31.3.2019					
Gross carrying amount				7,362,389	7,362,389
Expected credit loss				-736,239	-736,239
Carrying amount of trade receivables (net of impairment)	-	-	-	6,626,150	6,626,150

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

Particulars	ECL for Trade Receivables
As at 1.4.2018	910,460
Provided during the year	
Reversal of provisions	-174221
As at 31.3.2019	736,239

(b) 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 resonable price.The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and its liquidity requirements.The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short termbank deposits.In addition processes and policies related to such risk are overseen by senior management. Management monitors the Company's liquidity position through rolling,forecast on the basis of expected cash flows.

Maturities of financial liabilities

The following table sumerises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted payments

(IN INR)

	31.3.2019					31.3.2018				
Contractual maturities of financial liabilities	**on demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**	**on demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
Non-derivatives Trade payables	28,694			14,400	43,094	28,694			167,150	195,844
Total Non-derivatives	28,694	-		14,400	43,094	28,694	-		167,150	195,844

Note 26: The company is not having any contingent liabilities, commitments and ligations as on 31st.March,2019 (31st.March,2018 NIL)

Note 27: Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For K.C.Malhotra & Co.
Chartered Accountants

K.C. MALHOTRA & CO.
New Delhi
CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: 16/05/2019

For and on behalf of the Board of Directors

(S.K. Khorana)
Director
DIN: 0000085300

(V.K Luthra)
Director
DIN: 0002837289