

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ISGEC COVEMA LIMITED

Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of Isgec Covema Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended March 31, 2016 and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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

(Ramesh Malhotra)
Partner
Membership No.013624
Place: New Delhi
Date:26.5.2016

Annexure 'A' referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report of even date to the members of Isgec Covema Limited on the standalone financial Statements as of and for the year ended 31st.March,2016

- i. The Company does not have any tangible assets as at March 31, 2016 and, accordingly, the requirements under paragraph 4(i) of the Order are not applicable to the Company and hence not been commented upon.
- ii. The Company's business does not involve inventories and accordingly the requirements paragraph 4(ii) of the Order are not applicable to the Company and hence not been commented upon.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public.
- vi. Maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013
- vii. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including, income-tax, and other material statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, value added tax, cess and duty of excise are not applicable to the Company.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, sales-tax, wealth tax, value added tax, service tax, duty of custom, cess, employee state insurance and duty of excise are not applicable to the Company.

c) According to the information and explanations given to us, there are no dues of income tax, which have not been deposited on account of any dispute. The provisions relating to sales-tax service tax, customs duty, excise duty, value added tax and cess are not applicable to the Company.
- viii. The Company did not have any outstanding dues from banks, financial institutions, debenture holders or government.
- ix. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer) and term loans hence, reporting under clause (ix) of the order is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.



- xii. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, there are no transactions with the related parties during the year under audit and accordingly reporting under clause 3(xiii) insofar as it relates to section 188 of the Act is not applicable to the Company and hence not commented upon. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence provisions of clause 3(xiv) are not applicable and not commented upon.
- xv. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.



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

(Ramesh Malhotra)
Partner
Membership No:013624
Place:New Delhi
Date:26.5.2016

Annexure B to the Independent Auditor's Report of even date to the members of Isgec Covema Limited on the Standalone Financial Statements

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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended March 31, 2016.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of



financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Isgec Covema Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2016 and a summary of significant accounting policies and other explanatory information, and our report dated May 26, 2016 expressed an unqualified opinion thereon.



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

(Ramesh Malhotra)
Partner
Membership No: 013624
Place : New Delhi
Date: 26.5.2016

ISGEC COVEMA LIMITED
Balance Sheet as At 31st March, 2016

(Amount in Rupees)

PARTICULARS	Note	31.03.2016	31.03.2015
<u>I. EQUITY AND LIABILITIES</u>			
<u>(1) Shareholders' Funds</u>			
(a) Share Capital	3	20,000,000	20,000,000
(b) Reserves and Surplus	4	6,524,850	7,103,212
		<u>26,524,850</u>	<u>27,103,212</u>
<u>(2) Non-current Liabilities</u>			
Long -term Liabilities	5	442,104	598,104
<u>(3) Current Liabilities</u>			
(a) Trade Payables	6	3,371,424	65,236
(b) Other Current Liabilities	7	135,693	53,640
		<u>30,474,071</u>	<u>27,820,192</u>
<u>II. ASSETS</u>			
<u>(1) Non-current Assets</u>			
(a) Fixed Assets			
(i) Tangible Assets	8	-	59,603
(b) Deferred Tax Asset (Net)	20.1	1,656,924	1,398,294
(c) Other Non-current Assets	9	12,464,382	12,464,382
(d) Long-term Loans and Advances	10	2,519,762	3,645,516
<u>(2) Current Assets</u>			
(a) Trade Receivables	11	810938	-
(b) Cash and Cash Equivalents	12	10,832,817	10,070,524
(c) Short-term Loans and Advances	13	2,165,647	66,561
(d) Other Current Assets	14	23,601	115,312
		<u>13,833,003</u>	<u>10,252,397</u>
<u>Total</u>		<u>30,474,071</u>	<u>27,820,192</u>
Significant Accounting policies	2		
Notes to the financial statements	2 to 21		

In terms of our report attached
For K.C.Malhotra & Co.
Chartered Accountants
(Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No.013624



Place: New Delhi

Date: 26-05-2016

For and on behalf of the Board of Directors

S.K. Khorana
Director

V.K Luthra
Director

ISGEC COVEMA LIMITED
Statement of profit and loss for the year ended 31st.March,2016

(Amount in Rupees)

Particulars		Note No.	31.3.2016	31.3.2015
I	Erection Sales		24,000,000	-
II	Other income	15	1,038,348	601,740
III	Total Revenue (I + II)		25,038,348	601,740
IV	Expenses:			
	Erection cost	16	25,458,095	1,451,000
	Finance costs	17	6,153	2,530
	Other expenses	18	411,092	165,632
	Depreciation		-	30,725
			25,875,340	1,649,887
V	Profit /(Loss)before tax (III - IV)		(836,992)	(1,048,147)
VI	Tax expense:			
	(a) Current tax			
	(b) Deferred tax	20.1	(258,630)	(323,877)
VII	Profit / (Loss) for the period after tax (V-VI)		(578,362)	(724,270)
VIII	Earnings per equity share (of Rs. 10/- each)			
	- Basic & Diluted	20.3	(0.29)	(0.36)
	Significant Accounting Policies	2		
	Notes to the financial statements	2 to 21		

In terms of our report attached
For K.C.Malhotra & Co.
Chartered Accountants
(Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No.013624

Place: New Delhi

Date: 26-05-2016



For and on behalf of the Board of Directors

[Signature]
S.K. Khorana
Director

[Signature]
V.K. Luthra
Director

ISGEC COVEMA LIMITED
Cash Flow Statement for the year ended 31st March.2016

	31.3.2016	Amount in Rupees 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	(836,992)	(1,048,147)
Adjustment for :		
Depreciation	-	30,725
Interest Income	(882,348)	(600,928)
Loss on write off of Fixed assets	59,603	-
Operating Profit Before Working Capital Change	(1,659,737)	(1,618,350)
Change in Working Capital:		
Other Non-current assets	-	1,451,000
Long-term Loans and Advances	1,125,754	-
Trade receivables	(810,938)	-
Short-term Loans and Advances	(2,099,086)	3,943,914
Other current assets	91,711	(111,767)
Adjustment for increase / (decrease) in Operating Liabilities :		
Trade payable	3,306,188	(2,072)
Other Current Liabilities	82,053	22,611
Other Long-term Liabilities	(156,000)	-
Cash Generation from Operation	(120,055)	3,685,336
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	882,348	600,928
Net cash used in Investing Activities	882,348	600,928
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash used in Financial Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents (Total of A+B+C)	762,293	4,286,264
Cash and Cash Equivalents as at the beginning of the year	10,070,524	5,784,260
Cash and Cash Equivalents as at the end of the year	10,832,817	10,070,524

Note: The cash flow statement reflects the cash flows pertaining to continuing operations and has been prepared under the "Indirect method" as set out in Accounting Standard-3 on Cash Flow Statements.


In terms of our report attached

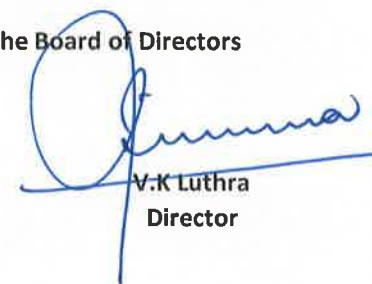
For K.C.Malhotra & Co.
Chartered Accountants
(Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No.013624
Place: New Delhi
Date: 26-05-2016



For and on behalf of the Board of Directors


S.K. Khorana
Director


V.K. Luthra
Director

NOTE

1

Corporate Information

i. Business activity/operations of the Company

Erection and commissioning
of industrial boilers and sugar
plants and related accessories

ii. Main place of business

A-4, Sector -24
Noida
Uttar Pradesh

2

Significant Accounting Policies**2.1 Basis of Preparation of Financial Statements**

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis. GAAP comprises of Accounting Standards under section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied.

2.2 Use of estimates:

The preparation of financial statements is in conformity with Indian generally accepted accounting principles requiring management to make estimates and assumptions that may affect the reported amount of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

2.3 Revenue Recognition :

Revenue in case of Erection & Commissioning jobs carried out is recognised on the basis of actual completion & certification of work.
Interest income is accounted for on accrual basis.

2.4 Insurance and Other Claims :

Insurance Claims are accounted for as and when the estimated amounts recoverable can be reasonably determined as being acceptable to the concerned authorities / parties.

2.5 Deferred 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. Deferred taxes resulting from timing differences between the book and tax profits are accounted for at tax rate to the extent the timing difference are expected to be crystallised. Deferred tax assets on account of unabsorbed losses are recognised to the extent there is virtual certainty of realising such assets against future taxable income.

2.6 Borrowing costs

Borrowing costs include interest and other costs and are recognised as an expense in the period in which they are incurred.

2.7 Provisions, Contingent Liabilities and Contingent Assets :

Provisions are created when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

2.8 Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

2.9 Cash and cash equivalents:

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



ISGEC COVEMA LIMITED
Notes on financial statements

(Amount in Rupees.)

NOTE - 3	31.3.2016		31.3.2015	
	No. of Shares	Amount	No. of Shares	Amount
Authorised : Equity Shares of Rs. 10 each with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
	2,000,000	20,000,000	2,000,000	20,000,000
Issued : Equity Shares of Rs.10 each with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
	2,000,000	20,000,000	2,000,000	20,000,000
Subscribed and fully 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
	2,000,000	20,000,000	2,000,000	20,000,000

The company has only one class of equity share having a par value of Rs. 10 each. All equity share is having equal right in surplus and distribution of profit.

Details of shares held by each shareholder holding more than 5% Shares :-

Class of shares /Name of shareholder	31.3.2016		31.3.2015	
	No. of Shares held	% Holding in that class of shares	No. of Shares held	% Holding in that class of shares
Equity shares with voting rights				
Isgec Heavy Engineering Limited	2,000,000	100.00%	2,000,000	100.00%

Reconciliation of the number of shares and amount outstanding :-

Particulars	31.3.2016		31.3.2015	
	No. of Shares	Amount of Shares	No. of Shares	Amount of Shares
Number of Shares and amount outstanding as at the beginning of the year -Equity Shares	2,000,000	20,000,000	2,000,000	20,000,000
Shares outstanding as at the end of the year	2,000,000	20,000,000	2,000,000	20,000,000



ISGEC COVEMA LIMITED

Notes on Financial Statements

(Amount in Rupees)

	31.03.2016	31.03.2015
Note-4 - Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Opening Balance	7,103,212	7,829,248
Less : Adjustment in respect of depreciation (Net of Deferred tax)	-	(1,766)
Add : Profit /(loss) after tax as per statement of Profit and Loss	(578,362)	(724,270)
	6,524,850	7,103,212
Note-5 - Non - Current Liabilities		
Advances from Customers	442,104	442,104
Liability for expense - Sales Tax-Indal	-	156,000
	442,104	598,104
Note-6 - Trade Payables		
- Others	3,371,424	65,236
	3,371,424	65,236
Note-7 Current Liabilities		
Statutory remittances	77,523	6,000
Other Liabilities	58,170	47,640
	135,693	53,640



ISGEC COVEMA LIMITED
Note 8 Fixed Assets

		Gross Block					Depreciation					[Amount in Rupees]	
		01.04.2015	Additions	Deductions	31.03.2016	01.04.2015	For the year	Adjusted from Retained earnings	Deduction on disposal	Other deduction	31.03.2016	Net Block	Net Block
Tangible Assets	Building	186,000	-	186,000	-	186,000	-	-	186,000	-	-	-	31.03.2015
	Plant & Equipment	181,333	-	181,333	-	163,230	-	-	163,230	-	-	-	18,103
	Furniture & Fixture	369,532	-	369,532	-	329,900	-	-	329,900	-	-	-	39,632
	Office Equipments	94,110	-	94,110	-	92,242	-	-	92,242	-	-	-	1,868
	Total	830,975	-	830,975	-	771,372	-	-	771,372	-	-	-	59,603
	Previous year	830,975	-	-	830,975	738,091	30,725	2,556	0	0	771,372	59,603	

ISGEC COVEMA LIMITED

Notes on Financial Statements

(Amount in Rupees)

	31.03.2016	31.03.2015
Note-9		
Other Non-Current Assets		
Long-term Trade Receivables	12,464,382	12,464,382
(Unsecured considered good)	12,464,382	12,464,382
Note -10		
Long-term loans and advances		
(Unsecured considered good)		
Security Deposit	30,000	30,000
Other advances - WCT receivables	2,489,762	3,615,516
	2,519,762	3,645,516
Note -11		
Trade Receivables		
(unsecured considered good)		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Others	810,938	-
	810,938	-
Note-12 - Cash and Cash Equivalents		
(a) Cash & Cash Equivalents		
(i) Balances with Banks in Current Account	460,435	4,570,524
(b) Other bank balances		
Fixed Deposit with Bank:-		
Maturing after 3 months from date of deposit but within one year of Balance Sheet date	10,372,382	5,500,000
	10,832,817	10,070,524
Note-13- Short Term Loans and Advances		
(Unsecured considered good)		
Balance with Government department	1,483,109	-
Taxes recoverable	504,409	66,561
Other Advances	178,129	-
	2,165,647	66,561
Note 14- Other Current assets		
Interest accrued but not due on deposits	23601	115312
	23601	115312



ISGEC COVEMA LIMITED
Notes on financial statements

(Amount in Rupees)

		31.3.2016	31.3.2015
Note - 15	Other income		
	Interest on income tax refund	1,830	812
	Interest on fixed deposit	880,518	600,928
	Excess Provision Written Back	156,000	-
		1,038,348	601,740
Note - 16	Erection Costs		
	Erection Contracts	25,020,526	1,451,000.00
	Freight	15,523	-
	Repair and Maintenance	9,593	-
	Staff welfare	81,623	-
	Rent	19,500	-
	Bank charges	16,225	-
	Postage and telephone	25,711	-
	Printing and stationery	4,039	-
	Misc expenses	7,400	-
	Travelling and conveyance	257,955	-
		25,458,095	1,451,000
Note -17	Finance costs		
	interest	-	1,159
	Others	6,153	1,371
		6,153	2,530
Note- 18	Other expenses		
	Rates and taxes	6,670	1,480
	Rent	27000	-
	Printing and stationery	-	437
	Legal and professional charges	283,469	134,783
	* Audit fee	34,350	28,932
	Loss on Assets sold / Written off	59,603	-
		411,092	165,632
	* *include :-		
	Taxation matters	15000	9100
	-other serices		1650
	-service tax	4350	3182



ISGEC COVEMA LIMITED

19 Additional Information to the financial statements

19.1 Contingent Liability

Contingent liability in respect of guarantees furnished by bankers on our behalf Rs.24,00,000/- (Previous Year Rs.NIL) against counter guarantees by the holding company to the bankers for the same amount.

19.2 Balance due to / from parties are subject to confirmation by the respective parties.

19.3 Amount due to Small Scale Industrial Undertakings :

On the basis of information available with the company, there were no amounts overdue and remaining unpaid to Small Scale and ancillary industrial suppliers on account of principal or interest as at close of the period.

19.4 No provision for tax has been made,as there is no assessable income for the year.

20 Disclosures under Accounting Standards

20.1 The Company estimates the deferred tax (charges)/credit for the year using the applicable tax rate based on the impact of timing difference between items in the financial statements and the estimated taxable income for the current year. The movement in provision for Deferred Tax is given below.

Element of Deferred Tax	Amount in Rupees.)			
	As at March.2015	Credit/ (charge) during the year	Credit/Charge against retained earnings	As at March.2016
Depreciation	14537	(14537)	-	-
Other Timing Difference	1383757	273167	-	1656924
Net Deferred Tax Assets	1398294	258630	-	1656924

20.2 Related Party disclosures :

a Description and Name of Related Parties

(i) Directors: Mr. Aditya Puri, Mr. S.K. Khorana, Mr. V.K. Luthra

b Holding Company :

(i) The company is the wholly owned subsidiary company of Isgec Heavy Engineering Limited.

(ii) Entities over which Mr. Aditya Puri, Director can exercise significant influence.

Isgec Exports Limited , Saraswati Sugar Mills Limited ,Isgec Engineering & Projects Ltd.,Isgec Hitachi Zosen Limited, Free Look softwares Private Limited,Isgec Foster Wheeler Boiler private Limited and Isgec Titan Metal Fabricators Private Limited

(Subsidiaries of 20.2 (b) (i) above)

(Amount in Rupees)
31.3.2016 31.3.2015

(iii) Detail of Related Party transactions during the year and outstanding and outstanding balance as at 31st.March,2016

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20.3 Earnings Per Share' in accordance with Accounting Standard (AS-20) are as under.

a) Net Profit / (Loss) for the year after tax as per statement of Profit and Loss.	-578362	-724270
b) Weighted Average number of Equity Shares used as denominator outstanding for calculating of Earning Per Share	2000000	2000000
c) Nominal value of Equity Share (in Rs.)	10	10
d) Basic and diluted Earning per Share	(0.29),	(0.36),

20.4 Segment Reporting:-

The company has only one segment of Erection and Commissioning of industrial boilers and



Sugar plants and related accessories Identified In accordance with the principles enunciated in Accounting Standard AS-17 "Segment Reporting", hence segment Informations is not applicable.

- 21** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

