

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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 Ind AS 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, as amended ("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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for 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 Board's report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 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 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.



### **Responsibilities 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, intentional 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. but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 our 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.

- 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.

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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to Ind AS financial statements;



- (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
- (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 **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



**per Amit Kumar Jain**  
Partner  
Membership Number: 097214  
UDIN: 21097214AAAABA19191  
Place of Signature: New Delhi  
Date: May 04, 2021



**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited) (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Company does not hold any immovable assets as at March 31, 2021, Accordingly, the requirements under clause 3(i)(c) are not applicable and hence not commented upon.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(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, Limited Liability Partnerships 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 given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and services tax, cess and other material statutory dues applicable to it. The provisions related to employees’ state insurance, sales tax, duty of excise, duty of customs, and value added taxes are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services 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 employees’ state insurance, sales tax, duty of excise, duty of customs and value added taxes are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, goods and services tax and cess which have not been deposited on account of any dispute. The provisions related to employees’ state insurance, sales tax, duty of excise, duty of customs and value added taxes are not applicable to the Company.



- (viii) The Company did not have any outstanding loans or borrowing or dues in respect of a financial institution or bank or to Government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) 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) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable 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, transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 of the Act 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 and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) 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 as referred to in Section 192 of Companies Act, 2013.
- (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 **S.R. Batliboi & Co. LLP**  
ICAI Firm Registration Number: 301003E/E300005  
Chartered Accountants



**per Amit Kumar Jain**  
Partner  
Membership Number: 097214  
UDIN: 21097214AAAABA19191  
Place of Signature: New Delhi  
Date: May 04, 2021



**Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**  
**Balance Sheet as at March 31, 2021**  
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3A	12,70,407	21,96,008
Intangible Assets	3B	27,26,836	26,16,452
Right-of-use asset	12A	91,32,573	1,23,12,873
(b) Financial assets			
(i) Loans	4	90,070	2,22,250
(ii) Other financial assets	8	8,26,629	7,59,769
(c) Deferred tax assets (net)	5	13,49,807	9,00,335
(d) Other non current assets	9	-	-
		<b>1,53,96,322</b>	<b>1,90,07,687</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	6	1,70,63,445	2,04,85,229
(ii) Cash and cash equivalents	7	84,18,559	1,08,82,304
(iii) Other bank balances	7	2,68,06,152	1,35,17,066
(iv) Loans	4	1,42,099	13,57,943
(v) Other financial assets	8	32,76,839	22,17,168
(b) Other current assets	9	73,66,357	1,12,35,414
		<b>6,30,73,451</b>	<b>5,96,95,124</b>
<b>Total Assets</b>		<b>7,84,69,773</b>	<b>7,87,02,811</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	2,00,00,000	2,00,00,000
(b) Other equity	11	3,64,39,695	2,08,44,909
<b>Total Equity</b>		<b>5,64,39,695</b>	<b>4,08,44,909</b>
<b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Lease liability	12A	75,06,319	1,02,55,660
(b) Long term provisions	12	15,88,457	10,23,746
		<b>90,94,776</b>	<b>1,12,79,406</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payables			
(a) Total outstanding dues to micro enterprises and small enterprises		14,42,306	-
(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	13	30,45,595	1,23,84,810
(ii) Lease liability	12A	27,49,337	23,57,621
(iii) Other financial liabilities	12B	-	35,54,840
(b) Other current liabilities	14A	6,44,457	10,80,332
(c) Provisions	12	21,81,628	15,34,625
(d) Current tax liabilities	15	8,84,269	2,41,261
(e) Contract Liability	14B	19,87,710	54,25,007
<b>Total Liabilities</b>		<b>1,29,35,302</b>	<b>2,65,78,496</b>
<b>Total Equity &amp; Liabilities</b>		<b>7,84,69,773</b>	<b>7,87,02,811</b>

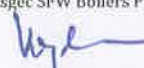
The accompanying notes are an integral part of these financial statements.


As per our report of even date  
**For S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. 301003E/E300005

  
 Bhupinder Kumar Malik  
 Senior Vice President-Accounts

  
 Per Anil Kumar Jain  
 Partner  
 Membership No. 097214  
 Place : New Delhi  
 Date : May 04, 2021

For and on behalf of the Board of Directors of  
 Isgec SFW Boilers Private Limited

  
 Krishnamurthy Viswanathan  
 Director  
 DIN: 07047927

  
 Suman Kumar Jain  
 Director  
 DIN: 07045002



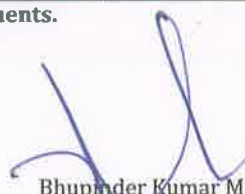
**Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2021**  
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	16	9,68,46,839	6,35,21,935
Other income	17	14,53,506	14,27,354
<b>Total income</b>		<b>9,83,00,345</b>	<b>6,49,49,289</b>
<b>Expenses</b>			
Employee benefits expenses	18	4,06,95,702	3,67,58,022
Finance cost	19	10,65,164	10,40,031
Depreciation and amortization expenses	20	47,58,523	48,43,838
Other expenses	21	3,09,84,613	1,85,84,353
<b>Total Expenses</b>		<b>7,75,04,002</b>	<b>6,12,26,244</b>
<b>Profit before tax</b>		<b>2,07,96,343</b>	<b>37,23,045</b>
<b>Tax Expense</b>			
(1) Current tax	22	57,27,105	13,11,816
(2) Deferred Tax (credit)	22	(4,68,613)	(3,24,179)
(3) Adjustment of deferred tax (credit) relating to earlier years	22	-	(1,08,311)
<b>Income Tax Expense</b>		<b>52,58,492</b>	<b>8,79,326</b>
<b>Profit for the Year</b>		<b>1,55,37,851</b>	<b>28,43,719</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gain on defined benefit plan		76,076	23,869
Income Tax on above		(19,141)	(6,005)
<b>Total Comprehensive Income for the Year (Net of Taxes)</b>		<b>1,55,94,786</b>	<b>28,61,583</b>
Earnings per equity share Basic and Diluted	23	7.77	1.42

[nominal value of share Rs. 10 each (March 31, 2020 :Rs.10)]

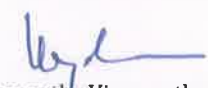
The accompanying notes are an integral part of these financial statements.

As per our report of even date  
**For S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. 301003E/E300005

  
 Bhupinder Kumar Malik  
 Senior Vice President-Accounts

For and on behalf of the Board of Directors of  
 Isgec SFW Boilers Private Limited

  
 Per Amit Kumar Jain  
 Partner  
 Membership No. 097214  
 Place : New Delhi  
 Date : May 04, 2021

  
 Krishnamurthy Viswanathan  
 Director  
 DIN: 07047927

  
 Suman Kumar Jain  
 Director  
 DIN: 07045002





**Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**  
**Statement of changes in cash flow for the year ended March 31, 2021**  
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from operating activities:</b>		
Profit before tax	2,07,96,343	37,23,045
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Foreign exchange Loss / (Gain)	2,07,085	(4,60,125)
Depreciation and amortization expenses	47,58,523	48,43,838
Interest expense	10,65,164	10,40,031
Interest income	(13,30,480)	(12,50,140)
<b>Operating Profit before working capital changes</b>	<b>2,54,96,635</b>	<b>78,96,649</b>
Movements in working capital :		
Decrease/(Increase) in Loans and Financial Assets	3,85,030	(16,02,148)
Decrease/(Increase) in Other Current Assets	38,69,057	(18,13,588)
Decrease/(Increase) in Trade Receivables	32,14,699	(1,36,00,203)
Increase on account of Provisions	12,87,790	11,00,343
(Decrease)/Increase in Trade Payable	(78,96,910)	83,90,761
(Decrease)/ Increase in Other Current Liabilities	(38,73,172)	37,90,432
<b>Cash generation from Operations</b>	<b>2,24,83,130</b>	<b>41,62,246</b>
Direct Taxes Paid	(50,84,097)	(18,74,125)
<b>Net cash generated from operating activities (A)</b>	<b>1,73,99,033</b>	<b>22,88,121</b>
<b>Cash flows from investing activities:</b>		
Purchase of Property, Plant & Equipment	(22,23,440)	(33,52,204)
Fixed deposits made	(2,68,06,152)	(1,10,42,066)
Proceeds from maturity of fixed deposits	1,10,67,066	2,50,30,119
Interest Income received	11,66,946	14,60,458
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(1,67,95,583)</b>	<b>1,20,96,307</b>
<b>Cash flow from financing activities:</b>		
Cash payments for the Interest portion of the lease liability	(9,67,969)	(9,94,516)
Cash payments for the principal portion of the lease liability	(20,02,031)	(17,05,484)
Interest on late deposit of Income tax	(97,195)	(45,515)
Dividend paid on equity shares	-	(50,00,000)
Dividend tax paid	-	(10,27,765)
<b>Net Cash (used In) financing activities (C)</b>	<b>(30,67,195)</b>	<b>(87,73,280)</b>
<b>Net (decrease)/ Increase in cash and cash equivalents (A+B+C)</b>	<b>(24,63,745)</b>	<b>56,11,147</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>1,08,82,304</b>	<b>52,71,158</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>84,18,559</b>	<b>1,08,82,304</b>
<b>Cash and cash equivalents comprise of (refer note 7)</b>		
Cash in hand	3,428	5,541
Deposits with original maturity of less than 3 months	71,16,455	-
Balance with bank on current accounts	12,98,676	1,08,76,763
	<b>84,18,559</b>	<b>1,08,82,304</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date  
 For S.R. Batliboi & Co. LLP  
 Chartered Accountants  
 Firm Registration No. 301003E/E300005

Per Amit Kumar Jain  
 Partner  
 Membership No. 097214  
 Place : New Delhi  
 Date : May 04, 2021

Bhupinder Kumar Malik  
 Senior Vice President-Accounts

For and on behalf of the Board of Directors of  
 Isgec SFW Boilers Private Limited

Krishnamurthy Viswanathan  
 Director  
 DIN: 07047927

Suman Kumar Jain  
 Director  
 DIN: 07045002



**Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**  
**Statement of changes in Equity for the year ended March 31, 2021**  
 (All amounts are in Indian Rupees, unless otherwise stated)

**A) Equity Share Capital**

Particulars	Nos.	Amount in Rs
As at April 1, 2019	20,00,000	2,00,00,000
Add: Equity shares issued during the year	-	-
As at March 31, 2020	20,00,000	2,00,00,000
Add: Equity shares issued during the year	-	-
As at March 31, 2021	20,00,000	2,00,00,000

**B) Other Equity**


Particulars	Retained Earnings
	(Amount in Rs)
As at April 1, 2019	2,40,11,091
Profit for the year ended March 31 2020	28,43,719
Dividend paid	(50,00,000)
Dividend distribution tax paid	(10,27,765)
<b>Other Comprehensive income for the year</b>	
Re-measurement gain on defined benefit plan (Net of taxes)	17,864
As at March 31, 2020	2,08,44,909
Profit for the year ended March 31 2021	1,55,37,851
<b>Other Comprehensive income for the year</b>	
Re-measurement gain on defined benefit plan (Net of taxes)	56,935
As at March 31, 2021	3,64,39,695

The accompanying notes are an integral part of these financial statements.

As per our report of even date  
**For S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. 301003E/E300005

  
 Bhupinder Kumar Malik  
 Senior Vice President-Accounts

For and on behalf of the Board of Directors of  
 Isgec SFW Boilers Private Limited

  
 Per Amit Kumar Jain  
 Partner  
 Membership No. 097214  
 Place : New Delhi  
 Date : May 04, 2021

  
 Krishnamurthy Viswanathan  
 Director  
 DIN: 07047927

  
 Suman Kumar Jain  
 Director  
 DIN: 07045002



# **ISGEC SFW BOILERS PRIVATE LIMITED (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2021**

(All amounts are in Indian Rupees, unless otherwise stated)

### **1. Corporate Information**

The financial statements comprise financial statements of Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited) ("the Company") for the year ended 31 March 2021. The Company is a private limited company domiciled in India with registered office in Radaur Road Yamuna Nagar Haryana 135001 and is incorporated under the provisions of the Companies Act applicable in India. The Company was incorporated on 17th February 2015 as a Joint Venture between Isgec Heavy Engineering Limited, India and Amec Foster Wheeler North America Corporation, USA (Amec FW NA).

As per notification received from Amec FW NA in May 2017, and the subsequent resolution of the Board of Directors of the Company, the shares of the Company held by Amec FW NA. were transferred to Amec Foster Wheeler Energia Oy (Amec FW OY).

Subsequently, Amec FW Oy was acquired by Sumitomo Heavy Industries, Japan and its name was changed to Sumitomo SHI FW Energia Oy with effect from 1st of November 2017. Accordingly, the Company is now a Joint Venture of Isgec Heavy Engineering Limited and Sumitomo SHI FW Energia Oy.

The Company is principally engaged in business of providing design and engineering services of fossil fuel boilers or steam generators. The Company has started its commercial operations in the Financial Year 2016-17.

The financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on May 04, 2021.

### **2. Significant accounting policies**

#### **2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

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

The financial statements are prepared and presented in Indian rupees (INR) which is also the functional currency of the Company.

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).

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



## ISGEC SFW BOILERS PRIVATE LIMITED (Formerly known as Isgec Foster Wheeler Boilers Private Limited)

### 2.2 Changes in accounting policies and disclosures

#### New and amended standards and interpretations

##### Ind AS 116 Leases

##### Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- iii) There is no substantive change to other terms and conditions of the lease.

There is no material impact of the amendment on the Company.

The MCA has not carried out any amendment to other accounting standards, which have significant impact on the Ind AS financial statements.

### 2.3 Summary of Significant Accounting Policies

#### a. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historic experience, actions that Company may undertake in future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumption are used for, but not limited to, accrual of planned maintenance, future obligation under employee benefit plan and contractual employees, income tax, useful life of fixed assets and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from the estimates.

#### b. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.



## ISGEC SFW BOILERS PRIVATE LIMITED (Formerly known as Isgec Foster Wheeler Boilers Private Limited)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

### ***c. Fair value measurement***

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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



## ISGEC SFW BOILERS PRIVATE LIMITED (Formerly known as Isgec Foster Wheeler Boilers Private Limited)

### **d. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet are based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **e. Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

#### **Design and Engineering Services: -**

The Company provides Design and Engineering Services to the customers. The Company recognises revenue from services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the end of last billing to the balance sheet date is recognised as unbilled revenue receivable.

#### **Contract balances: -**

##### **Contract assets**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.



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### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments - initial recognition and subsequent measurement.

### **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable. Interest income is included under the head "other income" in the statement of profit and loss.

### **Export Incentive Income**

Benefits under "Served from India Scheme" available for foreign exchange earned under prevalent scheme of Government of India are accrued when the right to receive these benefits as per the terms of the scheme is established and accrued to the extent there is no significant un-certainty about the measurability and ultimate utilization.

## **f. Taxes**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

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

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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



## **ISGEC SFW BOILERS PRIVATE LIMITED (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**

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.

### ***g. Property, plant and equipment and Intangible assets***

#### **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, (if any). The cost comprises purchase price, borrowing costs if capitalisation criterion is met and cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the equipment.

Depreciation is calculated on written down value basis, to allocate their costs net of salvage value, over the estimated useful lives of the assets which has been estimated as 3 years for computers and 6 years for server and networking equipment and 5 years for office equipment. The Company has no other property, plant and equipment.

When significant parts of equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

#### **Intangible assets**

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

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. If the persuasive evidence exists to the effect that useful life of an intangible assets exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

Useful life of Software has been estimated as five years.





**ISGEC SFW BOILERS PRIVATE LIMITED (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**

***h. Provisions and Contingent Liability***

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. When the Company expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when

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

Contingent liabilities are not recognised but are disclosed in notes.

***i. Retirement and other employee benefits;***

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the other comprehensive income.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are recognized in full in the period in which they occur in the statement of profit and loss. The Company presents the leave as a current liability in the balance sheet as it does have the unconditional legal and contractual right to defer the settlement for a period beyond twelve months.



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### ***j. Financial instruments***

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

#### **Financial assets**

##### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

The Carrying amounts of cash and bank balances, loans and other financial assets are considered to be the same as their fair values, largely due to the short-term maturities of these instruments and their nature.

##### **Subsequent measurement**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, loans, cash and cash equivalents, other bank balances and other financial assets.

##### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

***Impairment of financial assets*** – Owing to the nature of financial assets and low credit risk there is no impairment risk on the financial assets of the Company.

#### **Financial liabilities**

##### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



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All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company don't have any borrowings. The Company's financial liabilities include trade and other financial liabilities. The Initial recognition and subsequent measurement of trade payables and other financial liabilities are considered to be the same as their fair values, largely due to the short-term maturities of them and their nature.

### **k. Cash and cash equivalents**

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

### **l. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

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

For the purpose of calculating diluted earnings per share the net profit or losses for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially diluted equity shares.

### **n. Leases**

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

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

#### **i) Right-of-use assets**

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

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

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

#### **ii) Lease Liabilities**



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At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

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

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

### o. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.



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For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**p. Cash dividend**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



**Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)**  
**Notes to Financial Statements for the year ended March 31, 2021**  
 (All amounts are in Indian Rupees, unless otherwise stated)

**3A. Property, Plant & Equipment**

Particulars	Computers	Office Equipment's	Total Property, Plant & Equipment
<b>Cost</b>			
As at April 1,2019	47,11,694	-	47,11,694
Additions	23,54,510	3,90,534	27,45,044
Disposals	-	-	-
As at March 31,2020	70,66,204	3,90,534	74,56,738
Additions	2,08,600	-	2,08,600
Disposals	-	-	-
As at March 31,2021	72,74,804	3,90,534	76,65,338
<b>Accumulated depreciation</b>			
As at April 1,2019	34,50,858	-	34,50,858
Depreciation charge for the Year ended March 31, 2020	16,63,136	1,46,736	18,09,872
As at March 31,2020	51,13,994	1,46,736	52,60,730
Depreciation charge for the Year ended March 31, 2021	10,24,321	1,09,880	11,34,201
As at March 31,2021	61,38,315	2,56,616	63,94,931
<b>Net book value</b>			
At March 31, 2020	19,52,210	2,43,798	21,96,008
At March 31, 2021	11,36,489	1,33,918	12,70,407

**3B. Intangible Assets**

Particulars	Amount
<b>Cost</b>	
As at April 1,2019	22,28,740
Additions	17,12,000
Disposals	-
As at March 31,2020	39,40,740
Additions	9,10,000
Disposals	-
As at March 31,2021	48,50,740
<b>Accumulated amortisation</b>	
As at April 1,2019	7,52,897
Amortisation charge for the Year ended March 31, 2020	5,71,391
As at March 31,2020	13,24,288
Amortisation charge for the Year ended March 31, 2021	7,99,616
As at March 31,2021	21,23,904
<b>Net book value</b>	
At March 31, 2020	26,16,452
At March 31, 2021	27,26,836



#### 4. Loans

Particulars	Non - current		Current	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
<b>Unsecured, considered good (unless otherwise stated)</b>				
Loans and advances to employees	90,070	2,22,250	1,42,099	13,57,943
<b>Total Loans</b>	<b>90,070</b>	<b>2,22,250</b>	<b>1,42,099</b>	<b>13,57,943</b>

#### 5. Deferred Tax Assets (net)

Particulars	As at March 31,2021	As at March 31,2020
Deferred Tax Assets	13,49,807	9,00,335

The balance comprises temporary differences attributable to:

Particulars	As at March 31,2021	As at March 31,2020
<b>Deferred Tax Liabilities</b>		
Right-of-use asset	22,98,486	30,98,904
<b>Deferred Tax Assets</b>		
Property, Plant and Equipment	41,714	73,070
Lease Liability	25,81,144	31,74,511
Security Deposit	63,768	80,596
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	9,61,666	6,71,063
<b>Total Deferred tax Assets</b>	<b>13,49,807</b>	<b>9,00,335</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

Particulars	As at March 31,2021	As at March 31,2020
Accounting profit before income tax	2,07,96,343	37,23,045
Applicable tax rate	25.168%	25.168%
Computed tax expense	52,34,024	9,37,016
Effect of tax rate change on opening deferred tax balance	-	39,165
Disallowable expenditure under Income tax	24,468	11,455
Adjustment of tax relating to earlier period	-	(1,08,311)
<b>At the effective income tax rate of 25.29% (previous year 23.62%)</b>	<b>52,58,492</b>	<b>8,79,325</b>

#### 6. Trade Receivables

Particulars	As at March 31,2021	As at March 31,2020
Secured, considered good	-	-
Unsecured, considered good from related party	1,70,63,445	2,04,85,229
<b>Total Trade receivables</b>	<b>1,70,63,445</b>	<b>2,04,85,229</b>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor are any trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member except as mentioned in related party transactions. Trade receivables are non-interest bearing and are generally on terms of 30 days though there may be some delay beyond the contractual credit period.

#### 7. Cash and Bank Balances

Particulars	Current	
	As at March 31,2021	As at March 31,2020
<b>Cash and cash equivalents</b>		
Balance with bank		
- On Current account	12,98,676	1,08,76,763
- Deposits with original maturity of less than 3 months	71,16,455	-
Cash in hand	3,428	5,541
<b>Total</b>	<b>84,18,559</b>	<b>1,08,82,304</b>
<b>Other bank balances</b>		
- Earmarked unclaimed dividend account	-	24,50,000
- Deposits with remaining maturity of less than 12 months**	2,68,06,152	1,10,67,066
<b>Total</b>	<b>2,68,06,152</b>	<b>1,35,17,066</b>
<b>Total</b>	<b>3,52,24,711</b>	<b>2,43,99,370</b>

\*\* The Company has pledged its short-term deposits amounting to Rs. 1,17,33,649 (Previous year Rs. 1,10,42,066) to fulfil collateral requirements of Credit Exposure Limit for forward hedging. However, the Company has not taken any forward contract during the year (Previous year Rs. -)



#### 8. Other Financial Assets

Particulars	Non Current		Current	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Security Deposits	8,26,629	7,59,769	-	-
Interest accrued but not due on deposits	-	-	8,30,081	6,66,543
Unbilled revenue	-	-	9,44,865	15,50,625
GST refund receivable	-	-	15,01,893	-
<b>Total</b>	<b>8,26,629</b>	<b>7,59,769</b>	<b>32,76,839</b>	<b>22,17,168</b>

#### 9. Other Current Assets

Particulars	Non Current		Current	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Balance with Statutory / Government authorities	-	-	62,15,477	1,07,19,394
Prepaid expenses	-	-	11,50,880	5,16,020
<b>Total Other Current Assets</b>	<b>-</b>	<b>-</b>	<b>73,66,357</b>	<b>1,12,35,414</b>

#### 10. Share capital

Particulars	As at March 31,2021	As at March 31,2020
<b>Authorised share Capital :</b>		
2,000,000 ( March 31, 2020: 2,000,000 ) Equity shares of Rs.10 each with voting rights	2,00,00,000	2,00,00,000
<b>Issued, Subscribed &amp; Fully paid-up Capital</b>		
<b>Opening Balance</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>
Issued During the year	-	-
<b>Total Issued, Subscribed &amp; Fully paid-up Capital</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>

#### Notes :

##### i) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each share holder is entitled to one vote per share. The dividend if any proposed by the Board of Directors will be subject to approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by each equity share holder. Quorum of the Board is minimum two directors, minimum one each from both the existing shareholders.

##### ii) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting

Particulars	As at March 31,2021		As at March 31,2020	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Equity shares outstanding at the beginning of the Year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Add : Issued during the Year	-	-	-	-
<b>Equity shares outstanding at the end of the Year</b>	<b>20,00,000</b>	<b>2,00,00,000</b>	<b>20,00,000</b>	<b>2,00,00,000</b>

##### iii) Shares held by holding company or ultimate holding company and shareholders holding more than 5% shares in the Company

Class of Shares / Names of Shareholder:	As at March 31,2021		As at March 31,2020	
	No. of shares	% holding	No. of shares	% holding
Equity Shares with voting rights				
- Isgec Heavy Engineering Limited and its nominees	10,20,000	51%	10,20,000	51%
- Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy )	9,80,000	49%	9,80,000	49%

##### iv) Proposed Dividend on equity shares:

Particulars	As at March 31,2021	As at March 31,2020
Proposed dividend for the year ended on 31 March 2021 (Dividend @ Rs. 6 per share (Previous Year - NIL)	1,20,00,000	-
<b>Total</b>	<b>1,20,00,000</b>	<b>-</b>





#### 11. Other equity

Particulars	Retained Earning	
	As at March 31,2021	As at March 31,2020
Opening Balance	2,08,44,909	2,40,11,091
Profit for the year	1,55,37,851	28,43,719
Dividend paid *	-	(50,00,000)
Dividend distribution tax	-	(10,27,765)
<b>Other Comprehensive income for the year</b>		
Re-measurement gain on defined benefit plan (Net of taxes)	56,935	17,864
<b>Total Other equity</b>	<b>3,64,39,695</b>	<b>2,08,44,909</b>

\* During the year, the Company has not declared any dividend (In Previous year, the Company declared and paid final dividend @ 2.5 per share for the year ending March 31, 2019 amounting to Rs. 50,00,000).

#### 12. Provisions

Particulars	Non - current		Current	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
<b>Provision for Employee Benefits</b>				
Gratuity	15,88,457	10,23,746	-	-
Compensated Absences	-	-	21,81,628	15,34,625
<b>Total</b>	<b>15,88,457</b>	<b>10,23,746</b>	<b>21,81,628</b>	<b>15,34,625</b>

#### Note : Detail of Employee Benefit Expenses

The disclosures required by Ind- AS-19 "Employee Benefits" are as under:

##### (a) Defined Contribution Plan

The employer contribution to Regional Provident Commissioner on account of Provident Fund is Rs 11,04,101 (Previous Year Rs 9,86,682) and on account of Family Pension Scheme is Rs. 5,53,738 (Previous Year Rs. 4,78,952). The contributions are charged to the statement of profit and loss.

##### (b) Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The scheme is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet.

Particulars	Gratuity	Gratuity
	2020-21	2019-20
<b>1.Change In Present Value of Obligation</b>		
Present value of obligation at the beginning of the year	10,23,746	5,47,775
Interest cost	69,615	41,960
Current service cost	5,71,172	4,57,880
Benefits paid	-	-
Actuarial (gain) on obligation	(76,076)	(23,869)
Present value of obligation at end of the year	<b>15,88,457</b>	<b>10,23,746</b>
<b>2.Amount to be recognised in Balance Sheet</b>		
Present value of obligation as at end of the year	15,88,457	10,23,746
Fair value of plan assets as at the end of the year	-	-
Net Asset/(liability) recognised in Balance Sheet	<b>(15,88,457)</b>	<b>(10,23,746)</b>
<b>3.Expenses recognised in the statement of profit &amp; loss.</b>		
Interest Cost	69,615	41,960
Current service cost	5,71,172	4,57,880
Expenses recognised in the Statement of Profit & loss	<b>6,40,787</b>	<b>4,99,840</b>
<b>4.Recognised in other comprehensive income for the year</b>		
a. Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b. Actuarial gain / (loss) for the year on PBO	76,076	23,869
c. Actuarial gain / (loss) for the year on Asset	-	-
d. Unrecognized actuarial gain/(loss) at the end of the year	<b>76,076</b>	<b>23,869</b>
<b>5. Maturity Profile of Defined Benefit Obligation</b>		
1. Within the next 12 months (next annual reporting period)	11,446	1,917
2. Between 2 and 5 years	1,51,974	92,651
3. 6 year onwards	14,25,037	9,29,178
<b>6. Quantitative sensitivity analysis for significant assumptions is as below</b>		
(i). Impact of the change in discount rate		
Present Value of Obligation at the end of the year	15,88,457	10,23,746
a. Impact due to increase of 0.50 %	(1,16,086)	(77,306)
b. Impact due to decrease of 0.50 %	1,28,271	85,562
Impact of the change in salary increase		
Present Value of Obligation at the end of the year	15,88,457	10,23,746
a. Impact due to increase of 0.50 %	1,28,001	85,396
b. Impact due to decrease of 0.50 %	(1,16,912)	(77,681)

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

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



**(ii) Sensitivity Analysis Method**

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

Assumptions	2020-21	2019-20
<b>7. Actuarial assumptions</b>		
<b>a) Economic Assumptions</b>		
i. Discounting Rate in %	6.79	6.80
ii. Salary escalation in %	6.50	6.50
<b>b) Demographic Assumption</b>		
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>iii) Ages</b>	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	5	5
From 31 to 44 years	3	3
Above 44 years	2	2

**12A. Leases**

**Company as a lessee**

The Company has lease contract for one office building having lease term of 5 years, the Company's obligations under its lease is secured by the lessor's title to the leased asset. The Company is restricted from assigning and subleasing the leased asset. The lease contract does not have extension and termination options and variable lease payments. The Company does not have non-cash additions to right-of-use assets and lease liabilities during the year. There is no lease that have not commenced yet. The Company has recognised Rs. 6,48,000 (Previous Year Rs. 5,50,000) In the statement of Profit and loss In relation to the low value or short term leases.

Set out below is the carrying amount of right-of-use asset recognised and the movement during the year:

Particulars	Amount
<b>As at April 1,2019</b>	-
Addition (including advance rental and prepayment of INR 4,56,683)	1,47,75,448
Depreciation expense	24,62,575
<b>As at 31 March 2020</b>	<b>1,23,12,873</b>
Adjustment	3,55,594
Depreciation expense	28,24,706
<b>As at March 31,2021</b>	<b>91,32,573</b>

Set out below is the carrying amount of lease liability and the movement during the year:

Particulars	Amount
<b>As at April 1,2019</b>	-
Addition	1,43,18,765
Accretion of Interest	9,94,516
Payment	27,00,000
<b>As at 31 March 2020</b>	<b>1,26,13,281</b>
Adjustment	3,55,594
Accretion of Interest	9,67,969
Payment	29,70,000
<b>As at March 31,2021</b>	<b>1,02,55,656</b>
<b>Current lease liability</b>	<b>27,49,337</b>
<b>Non current lease liability</b>	<b>75,06,319</b>

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense of right-of-use assets	28,24,706	24,62,575
Interest expense on lease liabilities	9,67,969	9,94,516
<b>Total amount recognised in profit or loss</b>	<b>37,92,675</b>	<b>34,57,091</b>

**12B. Other financial liabilities**

Particulars	Non - current		Current	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Unpaid Dividend	-	-	-	24,50,000
Capital Creditors	-	-	-	11,04,840
<b>Total</b>	-	-	-	<b>35,54,840</b>



### 13. Trade payables

Particulars	Current	
	As at March 31,2021	As at March 31,2020
<b>Trade payables</b>		
Dues to micro, small and medium enterprises #	14,42,306	-
<b>Payables Other than MSME</b>		
- to a related party(refer note 24)	5,180	48,26,391
- to others	30,40,415	75,58,419
<b>Total</b>	<b>44,87,901</b>	<b>1,23,84,810</b>

# The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31,2021	As at March 31,2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14,42,306	-
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	-	-

### 14.A Other Liabilities

Particulars	Current	
	As at March 31,2021	As at March 31,2020
Statutory dues payable	6,44,457	10,80,332
<b>Total</b>	<b>6,44,457</b>	<b>10,80,332</b>

### 14.B Contract Liability

Particulars	Current	
	As at March 31,2021	As at March 31,2020
Advance from a related party	19,87,710	54,25,007
<b>Total</b>	<b>19,87,710</b>	<b>54,25,007</b>

### 15. Current tax Liabilities

Particulars	As at March 31,2021	As at March 31,2020
Provisions for income- tax	58,24,300	13,42,838
Less: Advance tax & tax deducted at source	49,40,031	11,01,577
<b>Total</b>	<b>8,84,269</b>	<b>2,41,261</b>

### 16. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Design and engineering services	9,65,07,359	5,96,69,021
Other operating Revenue(refer note 16.1)	3,39,480	38,52,914
<b>Total</b>	<b>9,68,46,839</b>	<b>6,35,21,935</b>

#### Note 16.1 : Other operating revenue

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Export Incentive	3,39,480	38,52,914
<b>Total</b>	<b>3,39,480</b>	<b>38,52,914</b>



#### 16.A Contract balances

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Unbilled Revenue (refer note 8)	9,44,865	15,50,625
Contract liabilities (refer note 14B)	19,87,710	54,25,007

The Company operates in only one segment of providing design services, identified in accordance with principles enunciated in Indian Accounting Standard AS-108, Segment Reporting. Hence, separate business segment information is not applicable.

The timing for revenue recognition is services performed over time.

Contract liabilities includes short term advances received to render design and engineering services.

**Note:-Set out below is the amount of revenue recognised for :**

Amount Included in the contractual liabilities	31.03.2021	31.03.2020
beginning of the year	19,87,710	54,25,007
Performance Obligation satisfied in previous years		

16.B There is no right to return assets and refund liabilities with the Company

16.C There is no reconciliation item between amount of revenue recognised in the statement of profit & loss with the contractual price

16.D Information about the Company's performance obligations are summarised below:

The Company recognises revenue from services over time, using an Input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

There is no remaining performance obligations as on March 31, 2021 (previous year Nil) to be performed next year in relation to the services provided in current year.

#### 17. Other Income

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
<b>Interest Income on financial assets at amortized cost-</b>		
- bank deposits	12,62,893	11,85,125
- security deposits	66,860	61,452
- on Loan to Employees	727	1,143
Interest Income on Income tax refund	-	2,420
Foreign exchange gain	-	1,77,214
Reimbursement of travelling expense	1,23,026	-
<b>Total</b>	<b>14,53,506</b>	<b>14,27,354</b>

#### 18. Employee Benefits Expenses

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Salaries and wages	3,72,45,015	3,41,61,914
Gratuity (refer note 12)	6,40,787	5,43,762
Contribution to provident fund	17,62,056	15,55,454
Staff welfare	10,47,844	4,96,892
<b>Total</b>	<b>4,06,95,702</b>	<b>3,67,58,022</b>

#### 19. Finance Cost

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Interest on lease liabilities	9,67,969	9,94,516
Interest on late deposit of Income tax	97,195	45,515
<b>Total</b>	<b>10,65,164</b>	<b>10,40,031</b>

#### 20. Depreciation and Amortization Expense

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Depreciation on Tangible Assets	11,34,201	18,09,872
Depreciation on ROU Assets	28,24,706	24,62,575
Amortization of Intangible assets (Software)	7,99,616	5,71,391
<b>Total</b>	<b>47,58,523</b>	<b>48,43,838</b>



## 21. Other Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Electricity expense	15,17,562	10,09,039
Technical design expenses	1,40,66,925	41,53,546
Business support service	64,44,000	77,18,400
Repair & maintenance (computers)	15,23,450	13,75,589
Repair & maintenance (others)	2,89,563	3,64,668
Rent expense	6,48,000	5,50,000
Legal and professional charges	4,97,445	3,64,000
Audit fee	9,00,000	9,36,284
Communication expenses	8,48,269	8,36,634
Bank charges	2,35,649	1,84,501
Travel expenses	-	4,36,524
Foreign exchange loss	5,04,854	-
Rates and taxes	-	41,300
Reversal of Export incentive accrued *	33,71,643	-
Miscellaneous balances written off	-	4,68,657
Miscellaneous expense	1,37,254	1,45,211
<b>TOTAL</b>	<b>3,09,84,613</b>	<b>1,85,84,354</b>

\* The Company had accrued and recognised export incentive(SEIS) amounting to Rs. 33,71,643 on export of services during the previous year in anticipation that the benefits would be continued by the government of India. However, the government has not yet notified the services eligible for export incentive (SEIS) as well as the rate of Incentive for the Financial Year Ended March 31, 2020. Accordingly, the Company has reversed export incentive accrued for the previous year in the current year.

### Note A

Disclosure	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payment to Auditors</b>		
<b>As auditor:</b>		
Audit fee	4,50,000	5,25,000
Limited review	4,50,000	3,75,000
Reimbursement of expenses	-	36,284
<b>Total</b>	<b>9,00,000</b>	<b>9,36,284</b>

## 22. Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	57,27,105	13,11,816
Deferred Tax (credit)	(4,49,472)	(3,18,174)
Adjustment of deferred tax (credit) relating to earlier period	-	(1,08,311)
<b>Total</b>	<b>52,77,633</b>	<b>8,85,331</b>

## 23. Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic / Diluted Earnings per share</b>		
<i>Numerator for earnings per share</i>		
Profit after taxation (In Rs.)	1,55,37,851	28,43,719
<i>Denominator for earnings per share</i>		
Weighted number of equity shares outstanding during the year	20,00,000	20,00,000
Earnings per share-Basic (one equity share of Rs. 10 /- each) (In Rs.)	7.77	1.42
Earnings per share-Diluted (one equity share of Rs. 10 /- each) (In Rs.)	7.77	1.42

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## 24. Related party transactions

### (A) List of related parties

#### Entities having control over the reporting entity

- Isgec Heavy Engineering Limited
- Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)



**Other related parties with whom the Company has transactions during the year**

- Isgec Redecam Enviro Solutions Pvt Ltd
- Sumitomo SHI FW Energy Management (Shanghai) Company Limited ( Formerly Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China )
- Sumitomo Shi Fw Energia Polska sp. Z.o.o., Poland
- Sumitomo SHI FW Service (Thailand) Ltd.

**(B) Transactions between related parties during the year**

Name of related party	Accounts affected	Amount of transactions during the year ended March 31,2021	Amount of transactions during the year ended March 31,2020
Isgec Heavy Engineering Ltd.	Technical design expenses*	3,51,989	8,27,287
Isgec Heavy Engineering Ltd.	business support services ##	76,03,920	91,07,712
Isgec Heavy Engineering Ltd.	Sale of services**	30,81,818	61,07,076
Isgec Heavy Engineering Ltd.	Reimbursement received of Travelling Expenditure***	61,621	1,49,169
Isgec Redecam Enviro Solutions Pvt Ltd	Sale of services****	90,801	5,82,336
Sumitomo SHI FW Energy Management (Shanghai) Company Limited ( Formerly Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China )	Sale of services	-	3,26,671
Sumitomo SHI FW Energy Management (Shanghai) Company Limited ( Formerly Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China )	Reimbursement received of Travelling Expenditure	-	1,95,145
Sumitomo SHI FW Service (Thailand) Ltd.	Sale of services	-	5,577
Sumitomo Shi Fw Energia Polska sp. Z.o.o., Poland	Sale of services	1,37,372	-
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy )	Sale of services#	9,35,45,262	5,36,82,073
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy )	Reimbursement received of Travelling Expenditure	9,67,746	49,60,063

Note \*Inclusive of GST of Rs 52,839 (previous Year: 1,26,196)

## Inclusive of GST of Rs 11,59,920 (previous Year: 13,89,312)

\*\*Inclusive of GST of Rs 3,34,043 (previous Year: 9,45,882) and unbilled Revenue of Rs 9,44,865 (previous year 52,884)

\*\*\*Inclusive of GST of Rs 13,708 (previous year 18,447)and unbilled travel reimbursement for Rs Nil (previous year 28,241)

\*\*\*\*Inclusive of GST of Rs 13,851 (previous year 88,831)

# Including unbilled revenue of Rs. Nil (previous year Rs. 14,69,500)

**(C) Year end balances of related parties**

Name of related party	Accounts affected	As at March 31,2021	As at March 31,2020
Isgec Heavy Engineering Ltd.	Trade payable	5,180	48,26,391
Isgec Heavy Engineering Ltd.	Trade receivable	10,06,458	7,73,480
Isgec Redecam Enviro Solutions Pvt Ltd	Trade receivable	28,712	-
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy )	Trade receivable	1,59,32,189	1,97,11,749
Sumitomo Shi Fw Energia Polska sp. Z.o.o., Poland	Trade receivable	96,086	-
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy )	Advance from customers	19,87,710	54,25,007
Isgec Heavy Engineering Ltd.	Unbilled receivable	9,44,865	52,884
Isgec Heavy Engineering Ltd.	Unbilled travel reimbursement	-	28,241
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy )	Unbilled receivable	-	14,69,500



**(D) Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**25. Operating Segment Information**

The Company operates in only one segment of providing design services, identified in accordance with principles enunciated in Indian Accounting Standard - 108, Segment Reporting. Hence, separate business segment information is not applicable.

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

The entire sales are made to four customers (refer note 24 above).



**26 Fair value measurements**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial instruments by category	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets at amortized cost</b>				
Cash and bank balances	3,52,24,711	2,43,99,370	3,52,24,711	2,43,99,370
Loans	2,32,169	15,80,193	2,32,169	15,80,193
Trade Receivables	1,70,63,445	2,04,85,229	1,70,63,445	2,04,85,229
Other financial assets	41,03,468	29,76,937	41,03,468	29,76,937
	<b>5,66,23,794</b>	<b>4,94,41,728</b>	<b>5,66,23,794</b>	<b>4,94,41,728</b>
<b>Financial Liabilities at amortized cost</b>				
Trade Payables	44,87,901	1,23,84,810	44,87,901	1,23,84,810
Lease liability	1,02,55,656	1,26,13,281	1,02,55,656	1,26,13,281
Other financial liabilities	-	35,54,840	-	35,54,840
	<b>1,47,43,557</b>	<b>2,85,52,931</b>	<b>1,47,43,557</b>	<b>2,85,52,931</b>

The Carrying amounts of trade receivables, trade payables, other financial liabilities, cash and bank balances, loans and other financial assets are considered to be the same as their fair values, largely due to the short-term maturities of these instruments and their nature. Non current financial assets represents the non current portion of loans and advances to employees and rental security deposit, the carrying value of which approximates the fair values as on the reporting date. The Carrying value of the lease liability is as per Ind AS - 116.





## 27. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade payables, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to provide working capital for financing the Company's operations. The Company's principal financial assets include trade and other receivables, loans and cash and bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk management objectives.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

### (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 risk and commodity price risk. Financial instruments affected by market risks include loans, deposits, and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2021. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

#### (i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of Trade and other receivable will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (as revenue is primarily denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. Company's entire Trade receivables are from related parties and hence the risk of delayed payment and exposure to foreign currency risk is under control and is minimal. The Company has not hedged its foreign currency receivables as it believes that the time gap between billing and collection is less than three months. All Trade receivables are due for collection in 30 days from the date of billing.

#### (ii) Foreign currency risk sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognized by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Currency	Nature of Transaction	As at March 31, 2021		As at March 31, 2020		Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	1% Increase	1% decrease
EURO	Export Trade Receivables	€ 1,86,161	1,60,28,275	€ 2,37,349	1,97,11,749	1,60,283	(1,60,283)
EURO	Unbilled receivable	€ -	-	€ 19,163	14,69,500		

### (b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and Loan given to employees, including deposits with banks. The Company provides design engineering services to its various related parties. As per terms of agreement with customers all payments are due within 30 days of billing. Company also gets an advance equal to 15% of the value of Purchase order from its major customers.

#### (i) Trade Receivables

Customer credit risk is managed by business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and constant follow-up is done with customers to clear the outstanding dues within the credit limit as mentioned in the Purchase order.

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. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as High, as its major customers are located in Finland.

#### (ii) Financial Instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particular	As at	As at
	March 31, 2021	March 31, 2020
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Cash and cash equivalents	84,18,559	1,33,32,304
Other bank balances	2,68,06,152	1,10,67,066
Long term Loans & advances	90,070	2,22,250
Short term Loans & advances	1,42,099	13,57,943
Other Current financial assets	32,76,839	22,17,168
Other non current financial assets	8,26,629	7,59,769
	<b>3,95,60,349</b>	<b>2,89,56,499</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables (Gross of provision)	1,70,63,445	2,04,85,229
	<b>1,70,63,445</b>	<b>2,04,85,229</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks. Trade receivables also have a lower credit risk as the counterparty is a related party.



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

Particular	As at March 31, 2021	As at March 31, 2020
Neither past due nor impaired	1,00,18,645	1,04,63,281
0 to 180 days past due date	70,44,800	1,00,21,948
More than 180 days past due date	-	-
<b>Total Trade Receivables (gross of provision)</b>	<b>1,70,63,445</b>	<b>2,04,85,229</b>

### (c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to maintain optimum levels of liquidity to meet its cash and liquidity requirements at all times. 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 term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

### Maturity profile of financial liabilities

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

As at March 31, 2021	Less than 1 year	1 to 5 years	Total
Trade payables	44,87,901	-	44,87,901
Lease liability	27,49,337	75,06,319	1,02,55,656
Other financial liabilities	-	-	-
<b>As at March 31, 2020</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
Trade payables	1,23,84,810	-	1,23,84,810
Lease liability	23,57,621	1,02,55,660	1,26,13,281
Other financial liabilities	35,54,840	-	35,54,840

28. The Company is not having any contingent liabilities, commitments and litigation as on March 31, 2021 (March 31, 2020: NIL)

### 29. Estimation uncertainty relating to the Global health pandemic on Covid 19

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using Internal and external sources of information, the company does not expect any material impact on such carrying values. Based on the projected cash flows for the next one year the management is confident of liquidating its liabilities as and when they fall due and the Going concern assumption used for preparation of these financial statements is appropriate.

### 30. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies in Note 27
- Sensitivity analyses disclosures in Note 12 and Note 27.
- Estimation uncertainty relating to the Global health pandemic on Covid 19 in Note 29.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 12.

### Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

### Leases - Estimating the Incremental borrowing rate

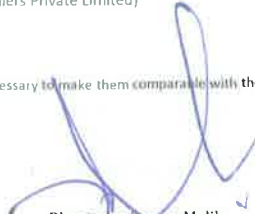
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (as the Company do not enter into financing transactions). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (credit rating).

31. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published, and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)  
Notes to Financial Statements for the year ended March 31, 2021  
(All Amounts are In Indian Rupees, Unless otherwise stated)

32. Figures relating to March 31, 2020 has been regrouped/reclassified wherever necessary to make them comparable with the current year's figures.



Bhupinder Kumar Malik  
Senior Vice President-Accounts

As per our report of even date  
For S.R. Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No. 301003E/E300005



Amit Kumar Jain  
Partner  
Membership No. 097214  
Place : New Delhi  
Date : May 04, 2021

For and on behalf of the Board of Directors of  
Isgec SFW Boilers Private Limited



Krishnamurthy Viswanathan  
Director  
DIN: 07047927



Suman Kumar Jain  
Director  
DIN: 07015002



Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)  
Statement of Audited Special purpose financial information for the year ended March 31, 2021  
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Audited (Refer note 4)	Reviewed	Audited (Refer note 4)	Audited	Audited
	For the Quarter Jan-March, 2021	For the Quarter Oct-Dec, 2020	For the Quarter Jan-March, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>					
Revenue from operations	2,84,16,069	2,43,99,978	2,72,53,772	9,68,46,839	6,35,21,935
Other income	32,185	3,88,132	3,83,294	14,53,506	14,27,354
<b>Total Income</b>	<b>2,84,48,254</b>	<b>2,47,88,110</b>	<b>2,76,37,066</b>	<b>9,83,00,345</b>	<b>6,49,49,289</b>
<b>Expenses</b>					
Employee benefits expenses	1,12,37,260	98,85,627	1,22,58,046	4,06,95,702	3,67,58,022
Finance cost	3,13,313	2,46,139	3,16,231	10,65,164	10,40,031
Depreciation and amortization expenses	11,49,106	11,88,186	14,09,701	47,58,523	48,43,838
Other expenses	1,52,65,778	60,02,541	63,20,891	3,09,84,613	1,85,84,353
<b>Total Expenses</b>	<b>2,79,65,457</b>	<b>1,73,22,493</b>	<b>2,03,04,869</b>	<b>7,75,04,002</b>	<b>6,12,26,244</b>
<b>Profit before tax</b>	<b>4,82,797</b>	<b>74,65,617</b>	<b>73,32,197</b>	<b>2,07,96,343</b>	<b>37,23,045</b>
<b>Tax Expense</b>					
(1) Current tax	3,35,362	19,71,737	13,11,816	57,27,105	13,11,816
(2) Deferred Tax (credit)/charge	(1,89,483)	(92,691)	6,65,154	(4,68,613)	(3,24,179)
(3) Adjustment of deferred tax credit relating to earlier years	-	-	(1,08,311)	-	(1,08,311)
<b>Income Tax Expense</b>	<b>1,45,879</b>	<b>18,79,046</b>	<b>18,68,659</b>	<b>52,58,492</b>	<b>8,79,326</b>
<b>Profit/ (Loss) for the Period/Year</b>	<b>3,36,918</b>	<b>55,86,571</b>	<b>54,63,538</b>	<b>1,55,37,851</b>	<b>28,43,719</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>					
Re-measurement gains/ (losses) on defined benefit plans	76,076	-	(61,541)	76,076	23,869
Income Tax on above	(19,141)	-	15,484	(19,141)	(6,005)
<b>Total Comprehensive Income for the Period/Year(Net of Taxes)</b>	<b>3,93,853</b>	<b>55,86,571</b>	<b>54,17,481</b>	<b>1,55,94,786</b>	<b>28,61,583</b>
Paid-up equity share capital (face value of 10 per share)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Other Equity as per the audited balance sheet				3,64,39,695	2,08,44,909
Earnings per equity share					
Basic and Diluted	0.17	2.79	2.73	7.77	1.42

- The Special purpose financial information of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended thereafter. These Special purpose financial information have been reviewed and approved by the Board of Directors at their respective meetings held on May 04, 2021. The Statutory Auditors have conducted the audit of the Special purpose financial information and have expressed an unqualified audit opinion.
- Figures for the previous period have been regrouped / reclassified to conform to the figures for the current period.
- The Company operates in only one segment of providing design services, identified in accordance with principles enunciated in Indian Accounting Standard AS-108, Segment Reporting. Hence, separate business segment information is not applicable.
- The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of full financial year ended March 31, 2021 and the unaudited year to date figures upto December 31, 2020, being the end of the third quarter of the financial year which were subjected to limited review. Further the figures of corresponding quarter ended March 31, 2020, as reported in these results have been approved by Company's Board of Directors and also have been subject to limited review/Audit by auditors.
- The Company had accrued and recognised export Incentive(SEIS) amounting to Rs 33,71,643 on export of services during the previous year in anticipation that the benefits would be continued by the government of India. However, the government has not yet notified the services eligible for export Incentive (SEIS) as well as the rate of Incentive for the Financial Year Ended March 31, 2020. Accordingly, the Company has reversed export Incentive accrued for the previous year in the current quarter.
- The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published, and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. Based on the projected cash flows for the next one year the management is confident of liquidating its liabilities as and when they fall due and the Going concern assumption used for preparation of these financial statements is appropriate.

For Isgec SFW Boilers Private Limited

Suman Kumar Jain  
Director  
DIN: 07045002

Date : May 04, 2021  
Place: Noida