

**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Isgec Redecam Enviro Solutions Private Limited**

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

**Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit/loss including other comprehensive income, its cash flows and the changes in 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 Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

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



### **Responsibility of Management for the Ind AS Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, 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 financial 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 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.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) 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 over financial reporting;
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the company for the year ended 31st.March,2019.



**K.C. MALHOTRA & CO.**

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

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
(Ramesh Malhotra)  
Partner

Membership Number: 013624  
Place of Signature: New Delhi  
Date: 16th..May,2019



**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

**R-79, GREATER KAILASH-I,**  
**NEW DELHI- 110 048 (INDIA)**  
**Phone: + 91-11-41608133, 2641833**  
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**Annexure 'A' to the Independent Auditors' Report**

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

- i) The Company does not have any tangible assets as at March 31, 2019 and, accordingly, the requirements under paragraph 4(i) of the Order are not applicable to the Company
- ii) The inventory has been physically verified by the management at reasonable intervals. The discrepancies noticed on physical verification of inventory were not material and have been properly dealt within the books of account.
- ii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to, companies, Limited Liability Partnership, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees, and security in terms of Section 185 and 186 of the Companies Act, 2013. Hence, reporting under clause 3(iv) of the order is not applicable to the company.
- v) The Company has not accepted any deposits during the year and therefore, the provisions of the clause 3(v) of the order are not applicable to the company.
- vi) The maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax are not applicable to the company.
  - b) There were no undisputed amounts payable in respect of income- tax, goods and service tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax are not applicable to the company.
  - c) There are no dues of income tax, goods and service tax, sales tax ,excise duty and value added tax which have not been deposited on account of any dispute. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax are not applicable to the company.
- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has issued any debentures. Hence reporting under clause 3 (viii) of the order is not applicable to the company



**K.C. MALHOTRA & CO.**

- ix) The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) or term loans during the year and hence, reporting under clause (ix) of the order is not applicable to the Company,
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the company.
- xii) In our opinion, the Company is not a nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company..
- xiii) According to the information and explanations given to us, the company is in compliance with Section 188 of the Companies Act,2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone IND AS financial statements. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the Company..
- xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under clause 3(xiv) of the Order is not applicable .
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable.
- xvi)The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934

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

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



Balance Sheet as at 31st.March,2019

(In INR)

Particulars	Note	31st.March,2019	31st.March,2018
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment		-	-
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others	3 (a)	25,000	25,000
(c) Deferred tax assets (net)	3 (b)	1,432,282	1,423,532
(d) Other non - current assets		-	-
<b>Total Non-current assets</b>		<b>1,457,282</b>	<b>1,448,532</b>
<b>Current assets</b>			
(a) Inventories	3 (c)	10,516,796	-
(b) Contract Work in Progress	3 (i)	882,561	-
(c) Financial assets			
(i) Investments	3 (g)	152,683,304	9,360,643
(ii) Trade receivables	3(d)	4,010,066	25,270,111
(iii) Cash and cash equivalents	3 (h)	36,766	83,839
(iv) Loans	3 (a)	-	27,912
(v) Others	3 (e)	3,443,510	102,854
(d) Current tax assets (net)	3(f)	45,519,654	3,617,146
(e) Other current assets		-	-
<b>Total current assets</b>		<b>217,092,656</b>	<b>38,462,505</b>
<b>Total assets</b>		<b>218,549,938</b>	<b>39,911,037</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	4(a)	20,000,000	20,000,000
(b) Other equity	4(b)	(3,909,187)	(3,883,703)
<b>Total equity</b>		<b>16,090,813</b>	<b>16,116,297</b>
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities	7	270,415	6,482
(b) Provisions			
(c) Deferred tax liabilities (net)			
(d) Other non - current liabilities			
<b>Total non-current-liabilities</b>		<b>270,415</b>	<b>6,482</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables			
ii)(a) Total outstanding dues to micro enterprises and small enterprises			
(ii)(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	5	70,154,900	11,376,692
(iii) Other financial liabilities	6	131,536,089	12,305,252
(b) Other current liabilities	7	497,720	106,314
(c) Provisions			
(d) Current tax liabilities (net)			
<b>Total current liabilities</b>		<b>202,188,709</b>	<b>23,788,258</b>
<b>Total equity and liabilities</b>		<b>218,549,938</b>	<b>39,911,037</b>

The accompanying notes form an integral part of the financial statements

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

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



For and on behalf of the Board of directors

(Suman Kumar Jain)  
Director  
DIN:07045002

(Niccolo Griffini)  
Director  
DIN:06433739

Isgec Redecam Enviro Solutions Private Limited  
CIN: U29308HR2017PTC067285

Statement of Profit and Loss for the year ended 31st.March,2019

(In INR)

Particulars	Note	31st.March,2019	31st.March,2018
Revenue from contracts with customers	8	167,932,526	14,653,198
Other Income	9	949,380	1,023,357
<b>Total income</b>		<b>168,881,906</b>	<b>15,676,555</b>
Expenses			
Purchase of traded goods for resale	10 (a)	146,061,759	13,362,614
Erection and civil cost	10 (b)	81,150	-
Other expenses	11	22,773,231	7,602,140
<b>Total expenses</b>		<b>168,916,140</b>	<b>20,964,754</b>
Profit / (loss) before tax		(34,234)	(5,288,199)
Tax expense			
(a) Current Tax			
(b) Deferred Tax	3.b	8,750	1,417,846
<b>Profit / (loss) for the year</b>		<b>(25,484)</b>	<b>(3,870,353)</b>
Other Comprehensive income/(loss)		(25,484)	(3,870,353)
Earnings per equity share Basic and diluted	12	(0.013)	(1.935)

The accompanying notes form an integral part of the financial statements

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

(Ramesh Malhotra)  
Partner  
Membership No. - 013624  
Place: New Delhi  
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(Niccolo Griffini)  
Director  
DIN:06433739



Isgec Redecam Enviro Solutions Private Limited  
CIN: U29308HR2017PTC067285

Cash flow statement for the year ended 31st.March,2019

Particulars	Note	31t.March,2019	31t.March,2018
Profit/(loss) before tax		(25,484)	(5,288,199)
<b>Adjustment to reconcile profit before tax to net cash flows</b>			363,334
Preliminary Expenses written off			
Provision for warranty	9	(645,677)	(1,023,357)
Interest income		(671,161)	(5,948,222)
<b>Operating/(loss) before working capital changes</b>			
Movements in working capital :			
Increase in other current financial assets	3(a)	27,912	6,704
(Increase)/decrease in inventories and contract work in progress	(3c) & 3(i)	(11,399,357)	(3,617,146)
(Increase)/decrease in other current assets	3(f)	(41,902,508)	(99,006)
(Increase)/decrease in current tax assets(net)	3(e)	(3,349,406)	(9,360,643)
(Increase)/decrease in Trade Receivables	3(g)	(143,322,661)	(83,839)
(Increase)/decrease in loans	3(h)	47,073	12,305,252
Increase/(decrease) in other current liabilities	6	119,230,837	112,796
Increase/(decrease) in Non-current/current provisions	7	655,340	11,313,153
Increase/(decrease) in trade payables	5	58,778,208	4,629,049
<b>Cash generation / (used) in operations</b>		<b>(21,905,723)</b>	<b>4,629,049</b>
Direct Taxes paid			
<b>Net cash generated from operating activities (A)</b>		<b>(21,905,723)</b>	<b>4,629,049</b>
<b>Cash flows from investing activities:</b>			
Interest income	9	645,677	1,023,357
<b>Net cash flow from investing activities</b>		<b>645,677</b>	<b>1,023,357</b>
<b>Cash flows from Financing activities</b>			
<b>Net cash flow from financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(21,260,046)</b>	<b>5,652,406</b>
Cash and cash equivalents at the beginning of the year	3(d)	25,270,111	19,617,705
<b>Cash and cash equivalents at the end of the year</b>	3(d)	<b>4,010,066</b>	<b>25,270,111</b>

The accompanying notes form an integral part of the financial statements

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

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



For and on behalf of the Board of directors

(Suman Kumar Jain)  
Director  
DIN: 07045002

(Niccolo Griffini)  
Director  
DIN: 06433739

**Isgec Redecam Enviro Solutions Private Limited**  
**Notes to financial statements for the year ended 31st.March,2019**

**Statement of changes in equity**

**A : Equity share capital**

(IN INR)

As at 1st.April,2017	-
Changes in equity share capital	20,000,000
As at 31st.March,2018	20,000,000
Changes in equity share capital	-
As at 31st.March,2019	20,000,000

**B: Other equity**

(IN INR)

Particulars	Retained earnings
As at 1st.April,2017	(13,350)
Profit/(loss) for the year	(3,870,353)
<b>Total comprehensive income/(Loss)</b>	<b>(3,883,703)</b>
As at 31st.March,2018	(3,883,703)
Balance as at 01st.April,2018	(3,883,703)
Profit/(Loss) for the year	(25,484)
<b>Total comprehensive income/(Loss)</b>	<b>(3,909,187)</b>
As at 31st.March,2019	(3,909,187)

The accompanying notes form an integral part to the financial statements

**For K.C.Malhotra & Co.**

Chartered Accountants

(Firm Registration No.- 000057N)

(Ramesh Malhotra)

Partner

Membership No. 013624

Place: New Delhi

Date: 16-05-2019

**For and on behalf of the Board of directors**

(Suman Kumar Jain)

Director

DIN: 07045002

(Niccolo Griffini)

Director

DIN: 06433739



## **Isgec Redecam Enviro Solutions Private Limited**

### **Note 1 : Overview**

The company is a private limited company domiciled in India with its registered office at Radaur Road, Yamunanagar-135001, Haryana, and is incorporated on 1<sup>st</sup> February, 2017 under the provisions of the Companies Act, 2013 as applicable in India as a joint venture between Isgec Heavy Engineering Limited and Isgec Redecam Enviro Solutions Private limited, Italy.

The company is engaged in engineering business will principally undertake the activity of fabrication, design, manufacture, sale, purchase, export, import, supply, sourcing, testing and commissioning and undertake research and development and or otherwise deal in all types of environment solutions machines and equipments including bag filters and hybrid filters for all industries.

### **Note 2 : Summary of Significant Accounting Policies**

#### **(a) Basis of preparation and Statement of Compliance**

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

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

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

#### **(b) Accounting estimates ,assumptions and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, Uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period. The area involving critical estimate or judgment is Recognition of deferred tax assets for carried forward losses, Impairment of trade receivables, and estimation of tax expense .

#### **(c) Current versus Non-current classification**

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

- \* expected to be realised in normal operating cycle,
- \* Held primarily for the purpose of the trading,
- \*Expected to be realised within twelve months after the reporting period, or
- \*Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- \*it is expected to be settled in normal operating cycle,



**Isgec Redecam Enviro Solutions Private Limited**  
**Significant accounting policies contd.**

\*it is held primarily for the purpose of the 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 Company classifies all other liabilities as non-current.

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

**(d) Cash and cash equivalents**

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

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

IND AS 7 "Statement of Cash Flows" require entity to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from, cash flows and non-cash changes (such as foreign exchange gains or losses). No disclosure is required as there are no cash flows arising as a result of financing activities.

**(e) Provisions, Contingent Liability and Contingent Assets**

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

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

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

**(f) Taxes**

**Current tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. However, No provision for tax has been made, as there is no assessable income for the year.

**Deferred tax**

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



**Isgec Redecam Enviro Solutions Private Limited**  
**Significant accounting policies contd.**

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

**Revenue from contracts with customers**

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

**Sale of products**

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

Revenue is measured at the transaction price.

**Revenue from construction contracts**

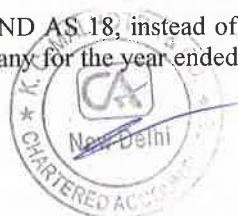
Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognise revenue on the basis of costs incurred to date compared to total estimated contract costs.

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

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

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

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



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**Significant accounting policies contd.**

account of adoption of IND AS 115, unbilled revenues of Rs.769,000/- as on 31st.march,2019 has been considered as a financial asset.

**Interest income**

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

**(g) Inventories**

Contract work in progress and traded goods are valued at lower of cost and net realizable value. Contract Cost includes direct materials and administrative overheads but exclude borrowing cost. Cost is determined on weighted average method.

Trading goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

**(h) Earning per share (EPS)**

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

**(i) Foreign currencies**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

**(iii) Exchange differences:**

The company accounts for foreign exchange differences arising on translation/settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

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 profit or loss are also recognised in OCI or profit or loss, respectively).

Effective April 1,2018,the Company has adopted Appendix B to IND AS 21,Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid in advance consideration in a foreign currency. The effect on account of this amendment was insignificant.



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**Significant accounting policies contd.**

**(j) Financial instruments**

**(i) Measurement**

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

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

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

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

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

**(ii) Impairment of financial assets**

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

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

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

**(iii) Derecognition**

**Financial assets**

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



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**Significant accounting policies contd.**

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

**Financial liabilities**

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

**(k) Offsetting financial instruments**

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

**(l) Trade payables**

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

**(m) Recent Accounting Developments**

**Standards issued but not yet effective**

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

**A) New Standard IND AS 116 Leases:**

Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or "after April 1, 2019.

The standard permits two possible methods of transition:

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

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

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





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**Significant accounting policies contd.**

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application OR
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

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

**B) Amendments to other IND As**

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

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

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

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

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

**(ii) IND AS 12 – Income taxes:**

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

**iii) IND AS 19, Employee Benefits:**

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



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**Significant accounting policies contd.**

**iv) IND AS 109 Financial Instruments**

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

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



Note 3 (a) : Other financial assets

(In INR)

Particulars	31st.March,2019		31st.March,2018	
	Non-current	Current	Non-current	Current
Security deposit *	25,000	-	25,000	-
Interest accrued but not due	-	-	-	27,912
<b>Total other financial assets</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>	<b>27,912</b>

\* In favour of the Assistant Commissioner Commercial Tax, Noida

Note 3 (b) Deferred tax assets/(liabilities) (net)

The balance comprises temporary difference attributable to :

(IN INR)

Particulars	31st.March,2019	31st.March,2018
Deferred tax asset	1,423,532	1,348,685
Tax losses	27,643	74,847
Preliminary expenses	(18,893)	-
<b>Total deferred tax assets</b>	<b>1,432,282</b>	<b>1,423,532</b>
Deferred tax liabilities	-	-
<b>Net Deferred tax assets / (Liabilities)</b>	<b>1,432,282</b>	<b>1,423,532</b>

Movements in Deferred tax assets /Liabilities)

Particulars	Tax losses	Total
Deferred tax assets		
As at 1st.April,2017	5,686	5,686
(Charged) /Credited to profit and loss	1,417,846	1,417,846
<b>AS at 31st.March,2018</b>	<b>1,423,532</b>	<b>1,423,532</b>
(Charged) /Credited to profit and loss	8,750	8,750
<b>As at 31st.March,2019</b>	<b>1,432,282</b>	<b>1,432,282</b>

The company has recognised deferred tax assets on carried forward losses. The company is expected to generate taxable income in future years. The losses can be carried forward for a period of eight years and the company expects to recover the losses.

Note 3 (c) : Inventories

(IN INR)

Particulars	31st.March,2019		31st.March,2018	
	Non-current	Current	Non-current	Current
Trading Goods-in-transit	-	10,516,796	-	-
<b>Total Inventories</b>	<b>-</b>	<b>10,516,796</b>	<b>-</b>	<b>-</b>

Note 3 (d) : Cash and cash equivalents

(In INR)

Particulars	31st.March,2019		31st.March,2018	
	Non- Current	Current	Non- Current	Current
Balances with banks	-		-	
-in current account	-	3,483,208	-	10,958,773
-Cheque in hand	-	500,000	-	-
Bank fixed deposit with maturity of less than twelve months *	-	-	-	14,293,890
Cash In Hand	-	26,858	-	17,448
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>4,010,066</b>	<b>-</b>	<b>25,270,111</b>



Note 3 (e) : Current tax assets / (liabilities) (net)

(In INR)

Particulars	31st.March,2019		31st.March,2018	
Prepaid income taxes	3,443,510		102,854	
Less: Provision for income tax				
<b>Total current assets/(liabilities)(net)</b>	<b>3,443,510</b>		<b>102,854</b>	

Note 3 (f) : Other Current Assets

(In INR)

Particulars	31st.March,2019		31st.March,2018	
Balance with Govt Authorities			581,977	
Unbilled revenue	769,000			
Advances to Suppliers *	44,724,535		3,035,169	
Prepaid Expenses	26,119			
<b>Total other current assets</b>	<b>45,519,654</b>		<b>3,617,146</b>	

\* Includes Advance to a related party (refer note 14( c))

3,782,745

Note 3 (g) :Trade Receivables

(In INR)

Particulars	31st.March,2019		31st.March,2018	
	Non-current	Current	Non-current	Current
Secured considered good				
Unsecured considered good *		152,683,304		9,360,643
<b>Total Trade receivables</b>		<b>152,683,304</b>		<b>9,360,643</b>

\* Include due from a related party(refer note 14( c))

28,501,594

2,381,400

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

Note 3 (h) : Loans

(In INR)

Particulars	31st.March,2019		31st.March,2018	
	Non-current	Current	Non-current	Current
Secured considered good				
Unsecured considered good				
-Other Advance		36,766		83,839
<b>Total Loans</b>		<b>36,766</b>		<b>83,839</b>

Note 3 (i) : Contract Work in Progress

(In INR)

Particulars	31st.March,2019		31st.March,2018	
	Non-current	Current	Non-current	Current
Contract Work in Progress		882,561		
<b>Total Contract Work in Progress</b>		<b>882,561</b>		



Note 4 (a) : Equity share capital

(INR)

Particulars	31st.March,2019		31st.March,2018	
	No,of shares	Amount	No.of shares	Amount
Authorised share capital				
Equity shares of Rs.10/-each with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
Issued ,subscribed and paid up				
Equity shares of Rs.10/-each fully paid up with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
Total Equity share capital	2,000,000	20,000,000	2,000,000	20,000,000

(i) Terms and rights attached to equity shares

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

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

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

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

Particulars	31st.March,2019	31st.March,2018
Isgec Heavy Engineering Limited *	51%	51%

\* Redecam Enpviro Solutions Pprivate Limited is a joint venture between Isgec Heavy Engineering Limited and Redecam group S.P.A Italy vide joint agreement dated 8th.November,2016. However,in view of the defination provided in the Companies Act,2013 and as per guidance in the Indian Accounting Standards notified under Companies (Indian Accounting Standards) Rules),2015 the company is considered as subsidiary of Isgec Heavy Engineering Limited

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

Particulars	31st.March,2019		31st.March,2018	
	Number of shares	% of holding	Number of shares	% of holding
Isgec Heavy Engineering Limited	1,020,000	51%	1,020,000	51%
Redecam Group S.P.A.	980,000	49%	980,000	49%
	2,000,000	100%	2,000,000	100%

Note 4 (b): Other equity  
Retained earnings

Particulars	31st.March,2019	31st.March,2018
Opening balance	(3,883,703)	(13,350)
Profit/(loss) for the year	(25,484)	(3,870,353)
Closing balance	(3,909,187)	(3,883,703)



Note 5 :Trade payables

(In INR)

Particulars	31st.March,2019		31st March,2018	
	Non- Current	Current	Non- Current	Current
Dues to micro, small and medium enterprises #		70,154,900	-	11,376,692
Payables Other than MSME		70,154,900		11,376,692
<b>Total Trade payables</b>		1,065,994		4,658,749

\*Include due to a related party(refer note 14( c))

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

Particulars	31st.March,2019	31st.March,2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 6 : Other Current Liabilities

(In INR)

Particulars	31st March,2019		31st March,2018	
	Non- Current	Current	Non- Current	Current
Statutory Dues	-	416,671	-	490,033
GST Payable	-	3,541,818	-	-
Others	-	18,316	-	-
Other advances	-	268,581	-	-
Revenue received in advance	-	72,250,000	-	-
Advance from Customers*	-	55,040,703	-	11,815,219
<b>Total other current Liabilities</b>		131,536,089		12,305,252
		27,446,139		10,484,000

\* Include from a related party(refer note 14 ( c))

Note 7 : Provisions

(In INR)

Particulars	31st March,2019		31st March,2018	
	Non- Current	Current	Non- Current	Current
Provision for Warranty*	270,415	497,720	6,482	106,314
<b>Total provisions</b>	270,415	497,720	6,482	106,314

\*Provision is made for the estimated warranty claims and after sales services in respect of products sold.

Note 7.1 : Movement of provision for warranty

(IN INR)

Nature of provisions	31st March,2019	31st March,2018
(a)Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	112,796	-
Additional provision made during the year	691,489	112,796
Amount used during the year	-	-
Amount reversed during the year	-	-
Adjustment due to discounting	36,150	-
Carrying amount at the end of the year	768,135	112,796
<b>Break up of carrying amount at the end of the year</b>	<b>31st March,2019</b>	<b>31st March,2018</b>
Short Term provisions	497,720	106,314
Long Term provisions	270,415	6,482



Isgec Redecam Enviro Solutions Private Limited  
Notes to financial statements for the year ended 31st.March,2019

Note 8 : Revenue from contracts with customers

(In INR)

Particulars	31st.March,2019	31st.March,2018
Resale of Machinery	167,932,526	14,653,198
<b>Total Revenue from contracts with customers</b>	<b>167,932,526</b>	<b>14,653,198</b>

Note 9 : other Income

(In INR)

Particulars	31st.March,2019	31st.March,2018
Interest income	645,677	1,023,357
Foreign Exchange Fluctuation	23,112	-
Export Incentive	280,591	-
<b>Total other income</b>	<b>949,380</b>	<b>1,023,357</b>

Note 10 (a) : Purchase of traded Goods for Resale

(In INR)

Particulars	31st.March,2019	31st.March,2018
Goods Purchase for Resale	146,061,759	13,362,614
<b>Total purchase of traded goods for resale</b>	<b>146,061,759</b>	<b>13,362,614</b>

Note 10 (b) : Erection and civil cost

(In INR)

Particulars	31st.March,2019	31st.March,2018
Erection and civil cost	81,150	-
<b>Total erection and civil cost</b>	<b>81,150</b>	<b>-</b>

Note 11 : Other expenses

(In INR)

Particulars	31st.March,2019	31st.March,2018
Rent	76,380	-
Power and fuel	540	-
Rates and Taxes	5,350	26,240
Insurance	53,520	-
Repairs and Maintenance		
- Computers	98,168	141,705
- others	34,432	-
Legal and professional fees	551,437	967,171
Business Support Charges	10,884,000	1,900,000
Printing and Stationary	19,567	26,440
Bank Charges	140,646	81,530
Travelling Expenses	2,056,112	812,806
Food and Beverages	34,349	4,438
Entertainment Expenses	51,301	39,561
Gift Expenses	-	1,546
Auditor's Remuneration		
-Statutory audit fee	70,000	70,000
-Tax Audit	25,000	25,000
Interest paid	24,540	635
Freight and Packing Forwarding	6,633,491	331,982
Design & Engineering Expenses	1,974,100	-
Technical Service Charges	-	2,809,752
Preliminary expenses written off	-	363,334
Office and miscellaneous expenses	40,299	-
<b>Total other expenses</b>	<b>22,773,231</b>	<b>7,602,140</b>



Isgec Redecam Enviro Solutions Private Limited  
Notes to financial statements for the year ended 31st.March, 2019

Note 12 : Earnings per share(EPS)

Particulars	31st.March,2019	31st.March,2018
Profit/(loss) attributable to equity shareholders	(25,484)	(3,870,353)
Weighted average number of shares	2,000,000	2,000,000
Nominal value of shares	10	10
Basic and diluted earnings per share	(0.013)	(1.935)

Note 13 : Income Tax expense

Particulars	31st.March,2019	31st.March,2018
a) Current tax	-	-
<b>Total current tax</b>	-	-
Deferred tax	8,750	1,417,846
<b>Total Deferred tax (benefit)</b>	<b>8,750</b>	<b>1,417,846</b>
<b>Total income tax expense</b>	<b>8,750</b>	<b>1,417,846</b>

Reconciliation of tax expense and accounting profit multiplied by tax rate

Particulars	31st.March,2019	31st.March,2018
Profit/(Loss) before tax	(34,234)	(5,288,199)
Tax @ 26. % (25.75 % 2017-18)	(8,901)	(1,361,711)
Non-deductible expenses	151	93,558
Tax effect amounts which are deductible in calculating taxable Income /Loss	(18,893)	(18,712)
Impact of change in tax rates	18,893	(130,981)
<b>Income tax expense (benefit)</b>	<b>(8,750)</b>	<b>(1,417,846)</b>





Note 14 : Related Party transactions

(a)List of Related Parties

Name	31st.March,2019	31st.March,2018
Isgec Heavy Engineering Limited	Holding Company	Holding Company
Redecam Group S.P.A.	Subsidiary Company	Subsidiary Company
<b>Key Management Personnel</b>		
Mr Aditya Puri	Non-executive director	Non-executive director
Mr Alberto Pedrinoni	Non-executive director	Non-executive director
Mr Luca Pozzoni		Non-executive director
Mr Niccolo Griffini	Non-executive director	Non-executive director
Mr Suman Kumar Jain	Non-executive director	Non-executive director
Mr Shalabh Singh	Non-executive director	Non-executive director

(b)Transactions with related parties

The following transactions occurred with related parties

Particulars	31st.March,2019	31st.March,2018
<b>(i) Purchase of Services</b>		
- Isgec Heavy Engineering Limited	12,843,120	2,242,000
- Redecam Group S.P.A.		2,809,752
<b>(ii) Sale of Goods</b>		
- Isgec Heavy Engineering Limited	47,907,960	2,430,000
- Redecam Group S.P.A.	27,708,001	
<b>(iii) Key Management personnel</b>		

(c) Year end Balances of Related Parties

Name of related party	Accounts Affected	31st.March,2019	31st.March,2018
Isgec Heavy Engineering Limited(refer note 5)	Trade Payable	1,065,994	2,138,401
Redecam Group S.P.A. (refer note 5)	Trade Payable	-	2,520,348
Redecam Group S.P.A. (refer note 3(f))	Advance to Suppliers	3,782,745	-
Isgec Heavy Engineering Limited (refer note 6)	Advance From Customers	23,946,845	10,484,000
Redecam Group S.P.A. (refer note 6)	Advance From Customers	3,499,294	-
Isgec Heavy Engineering Limited (refer note 3(g))	Trade Receivables	28,501,594	2,381,400

Note 15 : Fair value measurements

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

Financial Instruments by category	Note	Carrying Value		Fair Value	
		31st.March,2019	31st.March,2018	31st.March,2019	31st.March,2018
<b>Financial assets at amortised cost</b>					
Security deposits	3(a)	25,000	25,000	25,000	25,000
Interest accrued but not due	3(a)	-	27,912	-	27,912
Cash and cash equivalents	3(d)	4,010,066	25,270,111	4,010,066	25,270,111
Loans	3(h)	36,766	83,839	36,766	83,839
Trade Receivables	3(g)	152,683,304	9,360,643	152,683,304	9,360,643
		<b>156,755,136</b>	<b>34,767,505</b>	<b>156,755,136</b>	<b>34,767,505</b>
<b>Financial liabilities at amortised cost</b>					
Trade payables	5	70,154,900	11,376,692	70,154,900	11,376,692
		<b>70,154,900</b>	<b>11,376,692</b>	<b>70,154,900</b>	<b>11,376,692</b>

The carrying amounts of trade receivables, trade payables cash and cash equivalents, loans and other financial assets are considered to be the same as their fair values, due to their short term nature.

Note 16 : Segment information

The Company operates in only one segment of engineering business which comprises of sales of Engineering Equipment's, identified in accordance with principle enunciated in Indian Accounting Standard Ind AS-108, Segment Reporting. Hence, separate business segment information is not applicable. The Director 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.



Isgec Redecam Enviro Solutions Private Limited  
Notes to financial statements for the year ended 31st March, 2019

Note 17 : Revenue from contracts with customers (Disclosure pursuant to IND AS 115)

Particulars	31st March, 2019	31st March, 2018
Revenue from customers (refer note 8)	167,932,526	14,653,198
Contract balances		
- Unbilled revenue (refer note 3.f)	769,000	
- Contract liability (refer note 6) *	55,040,703	11,815,219
Amount of revenue recognised for : Amount included in the contractual liability of the beginning of the year	937,919	

\* Include short term advances received towards resale of machinery

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

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

Timing of recognition and method and information about performance obligation:  
- The timing for revenue recognition is resale of machinery performed overtime  
- The company is using input method for recognising sales overtime progressively by measuring the progress towards complete satisfaction of that performance obligation, because the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.  
- There is no remaining performance obligation, as on 31st March, 2019 (31st March, 2018 NIL) to be performed next year in relation to the resale of machinery in the current year

Note 18 : Financial risk management

The company's financial liabilities comprise only trade payable for services. The main purpose of these financial liabilities is to manage finances for company's operations. The company's principal financial assets include trade and other receivables, loans cash and cash equivalents that are derived directly from 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.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks such as equity price and commodity price risk. Financial instruments affected by market risks include loans, deposits and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company operates internationally and the company's trade payables and trade receivables balances are Nil. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year is Nil and their impact on the company's profit before tax and equity is Nil

(b) Credit risk

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



Isgc Redecam Enviro Solutions Private Limited  
Notes to financial statements for the year ended 31st March, 2019

**Trade receivables**

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

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

Ageing	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
<b>As at 31.3.2019</b>					
Gross carrying amount	18,221,713	134,461,591	-	-	152,683,304
Expected credit loss	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	18,221,713	134,461,591	-	-	152,683,304
<b>As at 31.3.2018</b>					
Gross carrying amount	904,500	8,456,143	-	-	9,360,643
Expected credit loss	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	904,500	8,456,143	-	-	9,360,643

**(c) Liquidity risk**

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

**Maturities 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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contact maturities of financial liabilities	Less than 1 year	1 to 5 years	Total
<b>As at 31st March, 2019</b>			
Trade payables (note 5)	70,154,900	-	70,154,900
Total	70,154,900	-	70,154,900
<b>As at 31st March, 2018</b>			
Trade payables (note 5)	11,376,692	-	11,376,692
Total	11,376,692	-	11,376,692

Note 19: The Company is not having any contingent liabilities, commitments and litigation as on March 31, 2019 (31st March, 2018 Nil)

Note 20: Figures relating to March 31, 2019 has been regrouped/reclassified wherever necessary to make them comparable with the current year's figures.

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

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

For and on behalf of the Board of directors

(Suman Kumar Jais) Director  
DIN: 07045002

(Niccolo Griffini) Director  
DIN: 06433739

