

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 2020, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total 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.

Emphasis of Matter

We draw attention to Note 20 to the standalone financial statements and Note 2 b (i) of Significant policies which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

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 2019-20, 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) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) 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



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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;

(h) 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,2020.

(i) 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
UDIN: 20013624AAAAAR3050
Place of Signature: New Delhi
Date: June 12,2020

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

R-79, GREATER KAILASH-I,
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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, 2020 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) According to the information and explanations given to us and records examined by us, the Company has not defaulted in repayment of dues to a bank. The Company has not taken any loans from financial institutions and government or has issued any debentures.
- 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,

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- 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 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
UDIN: 20013624AAAAAR3050
Place of Signature: New Delhi
Date: June 12, 2020

Balance Sheet as at 31st March,2020

(In INR)

Particulars	Note	31st.March,2020	31st.March,2019
ASSETS			
Non - current assets			
(a) Property, plant and equipment		-	-
(b) Financial assets			
(i) Others	3 (a)	25,000	25,000
(c) Deferred tax assets (net)	3 (b)	1,94,879	14,32,282
Total Non-current assets		2,19,879	14,57,282
Current assets			
(a) Inventories	3 (c)	41,442	1,05,16,796
(b) Contract Work in Progress	3 (i)	-	8,82,561
(c) Financial assets			
(i) Trade receivables	3 (g)	16,13,44,721	15,26,83,304
(ii) Cash and cash equivalents	3(d)	11,09,478	40,10,066
(iii) Loans	3 (h)	21,113	36,766
(d) Current tax assets (net)	3 (e)	34,92,165	34,43,510
(e) Other current assets	3(f)	6,02,27,684	4,55,19,654
Total current assets		22,62,36,603	21,70,92,656
Total assets		22,64,56,482	21,85,49,938
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	4(a)	2,00,00,000	2,00,00,000
(b) Other equity	4(b)	(5,76,397)	(39,09,186)
Total equity		1,94,23,603	1,60,90,814
LIABILITIES			
Non - current liabilities			
(a) Provisions	7	5,54,403	2,70,415
Total non-current-liabilities		5,54,403	2,70,415
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6(a)	37,69,616	-
(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	7,38,32,547	7,01,54,900
(b) Other current liabilities	6	12,68,26,385	13,15,36,089
(c) Provisions	7	20,49,928	4,97,720
Total current liabilities		20,64,78,476	20,21,88,709
Total equity and liabilities		22,64,56,482	21,85,49,938

The accompanying notes form an integral part of the financial statements

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


New Delhi
Partner
Membership No. 013624
Place: New Delhi
Date: June 12, 2020

For and on behalf of the Board of directors
Isgec Redecam Enviro Solutions Private Limited


(Suman Kumar Jain)
Director
DIN:07045002


(Shalabh Singh)
Director
DIN: 07738604

Isgec Redecam Enviro Solutions Private Limited
CIN: U29308HR2017PTC067285

Statement of Profit and Loss for the year ended 31st.March,2020

(In INR)

Particulars	Note	31st.March,2020	31st.March,2019
Revenue from contracts with customers	8	40,05,30,792	16,79,32,526
Other Income	9	39,71,782	9,49,380
Total income		40,45,02,574	16,88,81,906
Expenses			
Purchase of traded goods for resale	10 (a)	34,82,20,074	14,60,61,759
Erection and civil cost	10 (b)	2,58,12,011	81,150
Other expenses	11	2,59,00,297	2,27,73,231
Total expenses		39,99,32,382	16,89,16,140
Profit / (loss) before tax		45,70,192	(34,234)
Tax expense			
(a) Current Tax	13	-	-
(b) Deferred Tax	13	(12,37,403)	8,750
Profit / (Loss) for the year		33,32,789	(25,484)
Other Comprehensive income/(loss)		-	-
Total Comprehensive Income/(Loss)		33,32,789	(25,484)
Earnings per equity share			
Basic and diluted	12	1.666	(0.013)

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: June 12,2020



For and on behalf of the Board of directors
Isgec Redecam Enviro Solutions Private Limited

(Suman Kumar Jain)
Director
DIN:07045002

(Shalabh Singh)
Director
DIN: 07738604

Isgec Redecam Enviro Solutions Private Limited
Statement of audited Special purpose financial information for the quarter & year ended March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Reviewed	Reviewed	Unaudited	Audited	Audited
	For the Quarter Jan-March, 2020	For the Quarter Oct-Dec, 2019	For the Quarter Jan-March, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Income					
Revenue from operations	7,94,62,225	13,21,04,341	9,54,80,143	40,05,30,792	16,79,32,526
Other income	26,61,021	8,15,193	19,691	39,71,782	9,49,380
Total income	8,21,23,246	13,29,19,534	9,54,99,834	40,45,02,574	16,88,81,906
Expenses					
Purchase of traded goods for resale	5,92,59,990	12,83,18,315	8,08,56,360	34,82,20,074	14,60,61,759
Erection and civil cost	1,27,74,761	59,54,751	81,150	2,58,12,011	81,150
Other expenses	72,58,422	59,80,330	96,81,173	2,59,00,297	2,27,73,231
Total Expenses	7,92,93,172	14,02,53,396	9,06,18,683	39,99,32,382	16,89,16,140
Profit before tax	28,30,074	(73,33,862)	48,81,151	45,70,192	(34,234)
Tax Expense					
(a) Current tax	-	9,85,444	-	-	-
(b) Deferred Tax	(7,12,273)	8,60,343	(12,69,099)	(12,37,403)	8,750
Income Tax Expense	(7,12,273)	18,45,787	(12,69,099)	(12,37,403)	8,750
Profit/(Loss) for the Year	21,17,801	(54,88,075)	36,12,051	33,32,789	(25,484)
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods:	-	-	-	-	-
Total Comprehensive Income for the Year (Net of Taxes)	21,17,801	(54,88,075)	36,12,051	33,32,789	(25,484)
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				(5,76,397)	(39,09,186)
Earnings per equity share	1.06	(2.74)	1.81	1.67	(0.01)
Basic and Diluted					

- The financial results 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.
- 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 Engineering business, identified in accordance with principles enunciated in Indian Accounting Standard AS-108, Segment Reporting. Hence, separate business segment information is not applicable.
- The above results have been reviewed and approved by the Board of Directors at its meeting held on June 12, 2020 and have been subjected to Statutory Audit by the Statutory Auditors. However, for comparative financial information of the Company for the corresponding quarter ended March 31, 2019 included in these Special purpose financial information have been approved by the Board of Directors of the Company but have not been subjected to limited review.
- There is no impact of IND-AS 116 as on April 1, 2019 as the Company is not having long term leases as on that date.

For Isgec Redecam Enviro Solutions Private Limited

(Suman Kumar Jain)
Director
DIN: 07045002

Place Noida
Date: June 12, 2020

Isgec Redecam Enviro Solutions Private Limited
CIN: U29308HR2017PTC067285

Cash flow statement for the year ended 31st.March,2020

(In INR)

Particulars	Note	31st.March,2020	31st.March,2019
Profit/(loss) before tax		45,70,192	(34,234)
Adjustment to reconcile profit before tax to net cash flows			
Interest income	9	(5,02,256)	(6,45,677)
Operating/(loss) before working capital changes		40,67,936	(6,79,911)
Movements in working capital :			
Increase in other current financial assets	3(a)	-	27,912
(Increase)/decrease in inventories and contract work in progress	(3c) & 3(i)	1,13,57,915	(1,13,99,357)
(Increase)/decrease in other current assets	3(f)	(1,47,08,030)	(4,19,02,508)
(Increase)/decrease in current tax assets(net)	3(e)	(48,655)	(33,40,655)
(Increase)/decrease in Trade Receivables	3(g)	(86,61,417)	(14,33,22,661)
(Increase)/decrease in loans	3(h)	15,653	47,073
Increase/(decrease) in other current liabilities	6	(47,09,704)	11,92,30,837
Increase/(decrease) in Non-current/current provisions	7	18,36,196	6,55,340
Increase/(decrease) in trade payables	5	36,77,648	5,87,78,208
Cash generation / (used) in operations		(71,72,459)	(2,19,05,722)
Direct Taxes paid			
Net cash generated from operating activities (A)		(71,72,459)	(2,19,05,722)
Cash flows from Investing activities:			
Interest income	9	5,02,256	6,45,677
Net cash flow from investing activities		5,02,256	6,45,677
Cash flows from Financing activities			
Increase in cash credits	6(a)	37,69,616	-
Net cash flow from financing activities		37,69,616	-
Net increase/(decrease) in cash and cash equivalents		(29,00,586)	(2,12,60,045)
Cash and cash equivalents at the beginning of the year	3(d)	40,10,066	2,52,70,111
Cash and cash equivalents at the end of the period	3(d)	11,09,478	40,10,066

Notes:

- The above cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7.
- Reconciliation of liabilities arising from financing activities:

(In INR)

Particulars	Total borrowing
Opening balance as on April 1, 2019	-
Non-cash changes due to	
- Interest expense	-
- Others	-
Cash flows during the year	37,69,616
Closing balance as on March 31, 2020	37,69,616

- Figures in brackets indicate cash outgo.

The accompanying notes form an integral part of the financial statements

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



For and on behalf of the Board of directors
Isgec Redecam Enviro Solutions Private Limited


(Sumar Kumar Jain)
Director
DIN: 07045002


(Shalabh Singh)
Director
DIN: 07738604

Isgec Redecam Enviro Solutions Private Limited
Notes on financial statements for the year ended 31st.March,2020
 (All amounts are in Indian Rupees, unless otherwise stated)

Statement of changes in equity

A : Equity share capital

As at 1st.April,2018	2,00,00,000
Changes in equity share capital	-
As at 31st.March,2019	2,00,00,000
Changes in equity share capital	-
As at 31st.March,2020	2,00,00,000

B: Other equity

Particulars	Retained earnings
As at 1st.April,2018	(38,83,703)
Profit/(loss) for the year ended 31st March 2019	(25,484)
Total comprehensive income/(Loss)	(39,09,186)
As at 31st.March,2019	(39,09,186)
Balance as at 01st.April,2019	(39,09,186)
Profit/(loss) for the year ended 31st March 2020	33,32,789
Total comprehensive income/(Loss)	(5,76,397)
As at 31st.March,2020	(5,76,397)

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 New Delhi
 Membership No. 013624
 Place: New Delhi
 Date: June 12,2020

For and on behalf of the Board of directors
 Isgec Redecam Enviro Solutions Private Limited

(Suman Kumar Jain)
 Director
 DIN: 07045002

(Shalabh Singh)
 Director
 DIN: 07738604

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 1st February, 2017 under the provisions of the Companies Act, 2013 as applicable in India as a joint venture between Isgec Heavy Engineering Limited and Redecam group S.P.A, 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) from time to time.

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 June 12, 2020

(b) Accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. 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. Changes The area involving critical estimate or judgment is Recognition of deferred tax assets for carried forward losses, Impairment of trade receivables, estimation of tax expense 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) (i) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to COVID-19 on the carrying amounts of receivables and unbilled revenue to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(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,



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Significant accounting policies contd.

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

*it is held primarily for the purpose of the trading,

*it is due to be settled within twelve months after the reporting period, or

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

The Company classifies all other liabilities as non-current.

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

(d) Cash and cash equivalents

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

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

(e) Provisions, Contingent Liability and Contingent Assets

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

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

A contingent asset is disclosed, when 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



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Significant accounting policies contd.

assessable income for the year.

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 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.

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.

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.

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, The effect on adoption of Ind As 115 was insignificant.

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 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.

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.



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Significant accounting policies contd.

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)

Unbilled revenues of Rs 448,600/- as on 31st.March,2020 (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).

In determining the 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



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Significant accounting policies contd.

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.

(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



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Significant accounting policies contd.

company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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

Financial liabilities

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

(k) Offsetting financial instruments

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

(l) Leases

The application of new accounting standard Ind AS 116 effective from financial years beginning or after April 1st, 2019 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.

The standard permits two possible methods of transition:

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

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

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

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

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

The new leases accounting standard is not applicable to the company as the Company is not having long-term leases and therefore no disclosures are to be provided on account of new accounting standard



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Significant accounting policies contd.

(m) 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.

(n) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



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Note 3 (a) : Other financial assets

Particulars	31st.March,2020		31st.March,2019	
	Non-current	Current	Non-current	Current
Security deposit *	25,000	-	25,000	-
Total other financial assets	25,000	-	25,000	-

* In favour of the Assistant Commissioner Commercial Tax, Noida

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

Particulars	31st.March,2020	31st.March,2019
Opening Deferred tax asset	14,32,282	14,23,532
Movement during the year		
Tax losses	(12,19,114)	27,643
Preliminary expenses	(18,289)	(18,893)
Closing deferred tax assets	1,94,879	14,32,282

Movements in Deferred tax assets /Liabilities)

Particulars	Tax losses	Preliminary expenses	Total
Deferred tax assets			
As at 1st.April,2018	13,48,685	74,847	14,23,532
(Charged) /Credited to profit and loss	27,643	(18,893)	8,750
AS at 31st.March,2019	13,76,328	55,954	14,32,282
(Charged) /Credited to profit and loss	(12,19,114)	(18,289)	(12,37,403)
AS at 31st.March,2020	1,57,214	37,665	1,94,879

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

Particulars	31st.March,2020		31st.March,2019	
	Non-current	Current	Non-current	Current
Trading Goods-in-transit	-	41,442	-	1,05,16,796
Total Inventories	-	41,442	-	1,05,16,796

Note 3 (d) : Cash and cash equivalents

Particulars	31st.March,2020		31st.March,2019	
	Non-Current	Current	Non-Current	Current
Balances with banks				
-in current account	-	10,89,609	-	34,83,208
-Cheque in hand	-	-	-	5,00,000
Cash In Hand	-	19,869	-	26,858
Total cash and cash equivalents	-	11,09,478	-	40,10,066



Note 4 (a) : Equity share capital

Particulars	31st.March,2020		31st.March,2019	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs.10/-each with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued ,subscribed and paid up				
Equity shares of Rs.10/-each fully paid up with voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Total Equity share capital	20,00,000	2,00,00,000	20,00,000	2,00,00,000

(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,2020		31st.March,2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Add: Issued during the year	-	-	-	-
At the end of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000

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

Particulars	31st.March,2020	31st.March,2019
Isgec Heavy Engineering Limited *	51%	51%

* Redecam Enviro Solutions Private Limited is a joint venture between Isgec Heavy Engineering Limited and Redecam group S.P.A Italy vide joint venture agreement dated 8th.November,2016. However,in view of the definition 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,2020		31st.March,2019	
	Number of shares	% of holding	Number of shares	% of holding
Isgec Heavy Engineering Limited	10,20,000	51%	10,20,000	51%
Redecam Group S.P.A.	9,80,000	49%	9,80,000	49%
	20,00,000	100%	20,00,000	100%

Note 4 (b): Other equity
Retained earnings

Particulars	31st.March,2020	31st.March,2019
Opening balance	(39,09,186)	(38,83,703)
Profit/(loss) for the year	33,32,789	(25,484)
Closing balance	(5,76,397)	(39,09,186)



Note 5 :Trade payables

Particulars	31st.March,2020		31st.March,2019	
	Non- Current	Current	Non- Current	Current
Dues to micro, small and medium enterprises #				
Payables Other than MSME*		7,38,32,547	-	7,01,54,900
Total Trade payables		7,38,32,547		7,01,54,900
*Include due to a related party(refer note 14 (c))		1,06,96,232		10,65,994

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

Particulars	31st.March,2020	31st.March,2019
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

Particulars	31st.March,2020		31st.March,2019	
	Non- Current	Current	Non- Current	Current
Statutory Dues	-	3,83,522	-	4,16,671
GST Payable	-	56,406	-	35,41,818
Others	-	-	-	18,316
Other advances	-	3,98,582	-	2,68,581
Non Trade Payables	-	9,433	-	-
Revenue received in advance	-	8,00,79,000	-	7,22,50,000
Advance from Customers*	-	4,58,99,443	-	5,50,40,703
Total other current Liabilities		12,68,26,385		13,15,36,089
* Include advances to a related party(refer note 14 (c))		3,19,91,717		2,74,46,139

Note 6(a) : Borrowings

Particulars	31st.March,2020		31st.March,2019	
	Non- Current	Current	Non- Current	Current
Secured-Loan payable on demand				
-Cash Credit from a bank (refer note 6(a).1)		37,69,616		
Total Borrowings		37,69,616		

Note 6(a).1

Details of securities offered for Cash Credit

- Secured by hypothecation on current assets
- Corporate guarantee of Holding Company viz. isgce Heavy Engineering Limited
- Rate of interest ranging from 10.00 % p.a to 10.45 % p.a



Note 7 : Provisions

Particulars	31st.March,2020		31st.March,2019	
	Non- Current	Current	Non- Current	Current
Provision for Warranty*	5,54,403	20,49,928	2,70,415	4,97,720
Total provisions	5,54,403	20,49,928	2,70,415	4,97,720

*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

Nature of provisions	31st.March,2020	31st.March,2019
(a)Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	7,68,136	1,12,796
Additional provision made during the year	21,05,351	6,91,489
Amount used during the year	2,44,306	-
Adjustment due to discounting	24,850	36,150
Carrying amount at the end of the year	26,04,331	7,68,135
Break up of carrying amount at the end of the year	31st.March,2020	31st.March,2019
Short Term provisions	20,49,928	4,97,720
Long Term provisions	5,54,403	2,70,415

Note 8 : Revenue from contracts with customers

Particulars	31st.March,2020	31st.March,2019
Resale of Machinery	38,04,30,792	16,79,32,526
Erection services	2,01,00,000	-
Total Revenue from contracts with customers	40,05,30,792	16,79,32,526

Note 9 : other Income

Particulars	31st.March,2020	31st.March,2019
Interest income	5,02,256	6,45,677
Foreign Exchange Fluctuation	14,17,227	23,112
Export Incentive	20,52,299	2,80,591
Total other income	39,71,782	9,49,380

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

Particulars	31st.March,2020	31st.March,2019
Goods Purchase for Resale	34,82,20,074	14,60,61,759
Total purchase of traded goods for resale	34,82,20,074	14,60,61,759

Note 10 (b) : Erection and civil cost

Particulars	31st.March,2020	31st.March,2019
Erection and civil cost	2,58,12,011	81,150
Total erection and civil cost	2,58,12,011	81,150



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Note 11 : Other expenses

Particulars	31st.March,2020	31st.March,2019
Rent	2,53,000	76,380
Power and fuel	11,200	540
Rates and Taxes	20,316	5,350
Insurance	36,313	53,520
Repairs and Maintenance		
- Computers	1,55,610	98,168
- others	17,966	34,432
Legal and professional fees	1,73,995	5,51,437
Business Support Charges	1,14,34,590	1,08,84,000
Printing and Stationary	41,512	19,567
Bank Charges	4,56,883	1,40,646
Travelling Expenses	19,53,745	20,56,112
Food and Beverages	18,603	34,349
Entertainment Expenses	6,117	51,301
Auditor's Remuneration(Refer Note A)		
-Statutory audit fee	1,00,000	70,000
-Tax Audit	25,000	25,000
Interest paid	12,836	24,540
Freight and Packing Forwarding	85,95,177	66,33,491
Design & Engineering Expenses	25,62,194	19,74,100
Office and miscellaneous expenses	25,242	40,299
Total other expenses	2,59,00,297	2,27,73,231

Note 12 : Earnings per share(EPS)

Particulars	31st.March,2020	31st.March,2019
Profit/(loss) attributable to equity shareholders	33,32,789	(25,484)
Weighted average number of shares	20,00,000	20,00,000
Nominal value of shares	10	10
Basic and diluted earnings per share	1.67	(0.01)

Note 13 : Income Tax expense

Particulars	31st.March,2020	31st.March,2019
a) Current tax	-	-
Total current tax	-	-
Deferred tax	12,37,403	(8,750)
Total Deferred tax (benefit)	12,37,403	(8,750)
Total Income tax expense	12,37,403	(8,750)

Reconciliation of tax expense and accounting profit multiplied by tax rate

Particulars	31st.March,2020	31st.March,2019
Profit/(Loss) before tax	45,70,192	(34,234)
Tax @ 25.168% (26 % 2018-19)	11,50,226	(8,901)
Non-deductible expenses	-	151
Tax effect amounts which are deductible in calculating taxable income /Loss)	41,344	(18,893)
Impact of change in tax rates	45,833	18,893
Income tax expense (benefit)	12,37,403	(8,750)



Note 14 : Related Party transactions

(a) List of Related Parties

Name	31st.March,2020	31st.March,2019
Isgec Heavy Engineering Limited	Holding Company	Holding Company
Isgec SFW Boilers Private Limited	Subsidiary of Holding Company	Subsidiary of Holding Company
Redecam Group S.P.A.	Major investor	Major investor
Key Management Personnel		
Mr Aditya Puri	Non-executive director	Non-executive director
Mr Alberto Pedrinoni	Non-executive director	Non-executive director
Mr Philip Renaud	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,2020	31st.March,2019
(I) Purchase of Services		
- Isgec Heavy Engineering Limited	1,24,20,700	1,28,43,120
- Isgec SFW Boilers Private Limited	5,82,336	
(II) Sale of Goods		
- Isgec Heavy Engineering Limited	16,53,94,536	4,79,07,960
- Redecam Group S.P.A.	4,98,71,069	2,77,08,001

(c) Year end Balances of Related Parties

Name of related party	Accounts Affected	31st.March,2020	31st.March,2019
Isgec Heavy Engineering Limited (refer note 5)	Trade Payable	1,06,96,232	10,65,994
Redecam Group S.P.A. (refer note 3(f))	Advance to Suppliers	37,82,745	37,82,745
Isgec Heavy Engineering Limited (refer note 6)	Advance From Customers	1,15,77,327	2,39,46,845
Redecam Group S.P.A. (refer note 6)	Advance From Customers	2,04,14,390	34,99,294
Redecam Group S.P.A. (refer note 3(g))	Trade Receivables	2,92,94,929	-
Isgec Heavy Engineering Limited (refer note 3(g))	Trade Receivables	3,10,69,694	2,85,01,594

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,2020	31st.March,2019	31st.March,2020	31st.March,2019
Financial assets at amortised cost					
Security deposits	3(a)	25,000	25,000	25,000	25,000
Cash and cash equivalents	3(d)	11,09,478	40,10,066	11,09,478	40,10,066
Loans	3(h)	21,113	36,766	21,113	36,766
Trade Receivables	3(g)	16,13,44,721	15,26,83,304	16,13,44,721	15,26,83,304
		16,25,00,312	15,67,55,136	16,25,00,312	15,67,55,136
Financial liabilities at amortised cost					
Trade payables	5	7,38,32,547	7,01,54,900	7,38,32,547	7,01,54,900
		7,38,32,547	7,01,54,900	7,38,32,547	7,01,54,900

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.



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

Particulars	31st. March, 2020	31st. March, 2019
Revenue from customers (refer note 8)	40,05,30,792	16,79,32,526
Contract balances		
-Unbilled revenue (refer note 3.f)	4,48,600	7,69,000
- Contract liability (refer note 6) *	4,58,99,443	5,50,40,703
Amount of revenue recognised for :		
Amount: included in the contractual liability of the beginning of the year	4,95,69,614	9,37,919,00
* 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, 2020 (31st. March, 2019 Nil) to be performed next year in relation to the resale of machinery/erection service 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, 2020 and 31st. March, 2019

(f) Interest risk interest

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio. The exposure of borrowings to interest rate changes at the end of reporting year are : Variable rate of borrowings Rs 3769616/- refer note 6(a) and 6(a)1.(iii)



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(ii) 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. The following tables demonstrate 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	31st.March,2020		31st.March,2019	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
EURO	Export Trade Receivables	3,72,126	2,92,94,929	-	-

(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.

Trade receivables

Customer credit risk is managed by the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and an impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. 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
As at 31.3.2020					
Gross carrying amount	4,74,39,333	9,26,01,915	2,13,03,472	-	16,13,44,721
Expected credit loss	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	4,74,39,333	9,26,01,915	2,13,03,472	-	16,13,44,721
As at 31.3.2019					
Gross carrying amount	1,82,21,713	13,44,61,591	-	-	15,26,83,304
Expected credit loss	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,82,21,713	13,44,61,591	-	-	15,26,83,304



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(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.

Particulars	Less than 1 year	1 to 5 years	Total
As at 31st.March,2020			
Borrowings (note 6 a)	37,69,616		37,69,616
Trade payables (note 5)	7,38,32,547		7,38,32,547
Total	7,76,02,164	-	7,76,02,164
As at 31st.March,2019			
Trade payables (note 5)	7,01,54,900		7,01,54,900
Total	7,01,54,900	-	7,01,54,900

Capital Management

(a) Risk management

The primary objective of the capital management is to maximise the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of the following gear ratio ,which is net debt divided by total capital plus debt

Particulars	31st.March,2020	31st.March,2019
Debt	37,69,616	-
less: Cash and bank equivalents	(11,09,478)	(40,10,066)
Net debt	26,60,138	40,10,066
Total equity	1,94,23,603	1,60,90,814
Total equity and net debt	2,20,83,741	2,01,00,880
Net debt to debt and equity ratio (Gearing Ratio)	0.12	0.20

(b) Loan Covenants

In order to achieve the overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

Note 19: The Company is not having any contingent liabilities, commitments and litigation as on March 31, 2020 (31st.March,2019 Nil)

Note 20: The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information on the expected future performance of the Company. The Company expects the carrying amount of these assets will be recovered.



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Note 21: 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.090057N)

K. C. Malhotra & Co.

(Ramesh Malhotra)

Partner

Membership No. 1013624

Place: New Delhi

Date: June 12, 2020

For and on behalf of the Board of directors

Isgec Redecam Enviro Solutions Private Limited



(Suman Kumar Jain)

Director

DIN: 07045002

(Shalabh Singh)

Director

DIN: 07738604