S.R. BATLIBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited) ("the Company"), which comprise the Balance sheet as at March 31 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 29 of the accompanying Ind AS financial statements, 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 Board's report but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Ind AS Financial Statements

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and 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 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;

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

per Amit Kumar Jain
Partner
Membership Number: 097214
UDIN: 20097214AAAAAG5677
Place of Signature: New Delhi
Date: June 10, 2020

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

Re **Isgec Foster Wheeler Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited) ('the Company')**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The Company does not hold any immovable assets as at March 31, 2020, Accordingly, the requirements under clause 3(i)(c) are not applicable and hence not commented upon.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not been commented upon.

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

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

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

(c) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax and cess which have not been deposited on account of any dispute. The provisions related to

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employees' state insurance, sales tax, duty of excise, duty of customs and value added taxes are not applicable to the Company.

(viii) The Company did not have any outstanding loans or borrowing or dues in respect of a financial institution or bank or to Government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
ICAI Firm Registration Number: 301003E/E300005
Chartered Accountants

per **Amit Kumar Jain**
Partner
Membership No: 097214
UDIN: 20097214AAAAAG5677
Place of Signature: New Delhi
Date: June 10, 2020

S.R. BATLIBOI & CO. LLP NEW DELHI

Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)
Balance Sheet as at March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at March 31,2020	As at March 31,2019
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3A	21,96,008	12,60,836
Intangible Assets	3B	26,16,452	14,75,843
Right-of-use asset	12A	1,23,12,873	-
(c) Financial assets			
(i) Loans	4	2,22,250	1,11,640
(ii) Other financial assets	8	7,59,769	6,98,317
(d) Deferred tax assets (net)	5	9,00,335	4,73,850
(e) Other non current assets	9	-	3,18,069
		1,90,07,687	43,38,555
Current assets			
(a) Financial assets			
(i) Trade receivables	6	2,04,85,229	64,24,901
(ii) Cash and cash equivalents	7	1,08,82,304	52,71,158
(iii) Other bank balances	7	1,35,17,066	2,50,55,119
(iv) Loans	4	13,57,943	2,97,103
(v) Other financial assets	8	22,17,168	20,58,239
(b) Other current assets	9	1,12,35,414	95,60,439
		5,96,95,124	4,86,66,959
Total Assets		7,87,02,811	5,30,05,514
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	2,00,00,000	2,00,00,000
(b) Other equity	11	2,08,44,909	2,40,11,091
Total Equity		4,08,44,909	4,40,11,091
Non - current liabilities			
(a) Financial liabilities			
(i) Lease liability	12A	1,02,55,660	-
(b) Long term provisions	12	10,23,746	5,47,775
		1,12,79,406	5,47,775
Current liabilities			
(a) Financial liabilities			
(i) Trade Payables			
(a) Total outstanding dues to micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	13	1,23,84,810	39,94,049
(ii) Lease liability	12A	23,57,621	-
(iii) Other financial liabilities	12B	35,54,840	-
(b) Other current liabilities	14A	10,80,332	6,93,270
(c) Provisions	12	15,34,625	9,34,122
(d) Current tax liabilities	15	2,41,261	8,03,570
(e) Contract Liability	14B	54,25,007	20,21,637
Total Liabilities		2,65,78,496	84,46,648
Total Equity & Liabilities		7,87,02,811	5,30,05,514

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

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

Per Amit Kumar Jain
Partner
Membership No. 097214
Place : New Delhi
Date : June 10, 2020

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Krishnamurthy Viswanathan
Director
DIN: 07047927

Suman Kumar Jain
Director
DIN: 07045002

S.R. BATLIBOI & CO. LLP
NEW DELHI

Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from contracts with customers	16	5,96,69,021	6,02,69,959
Other income	17	52,80,268	46,18,280
Total income		**6,49,49,289**	**6,48,88,239**
Expenses			
Employee benefits expenses	18	3,67,58,022	2,57,52,435
Finance cost	19	10,40,031	78,895
Depreciation and amortization expenses	20	48,43,838	21,59,761
Other expenses	21	1,85,84,353	1,77,33,193
Total Expenses		**6,12,26,244**	**4,57,24,284**
Profit before tax		**37,23,045**	**1,91,63,955**
Tax Expense			
(1) Current tax	22	13,11,816	55,94,429
(2) Adjustment of current tax relating to earlier years	22	-	(4,154)
(3) Deferred Tax (credit)	22	(3,24,179)	(2,39,355)
(4) Adjustment of deferred tax credit relating to earlier years	22	(1,08,311)	-
Income Tax Expense		**8,79,326**	**53,50,920**
Profit for the Year		**28,43,719**	**1,38,13,035**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain on defined benefit plan		23,869	76,038
Income Tax on above		(6,005)	(21,154)
Total Comprehensive Income for the Year (Net of Taxes)		**28,61,583**	**1,38,67,919**
Earnings per equity share Basic and Diluted [nominal value of share Rs. 10 each (March 31, 2020 :Rs.10)]	23	1.42	6.91

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

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

Per Amit Kumar Jain
Partner
Membership No. 097214
Place : New Delhi
Date : June 10, 2020

S.R. BATLIBOI & CO. LLP
NEW DELHI

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Krishnamurthy Viswanathan
Director
DIN: 07047927

Suman Kumar Jain
Director
DIN: 07045002

Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)
Statement of audited Special purpose financial information for the year and quarter ended March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

	Audited (Refer note 4)	Reviewed	Unaudited (Refer note 4)	Audited	Audited
Particulars	**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	2,55,54,667	1,64,84,939	1,61,51,843	5,96,69,021	6,02,69,959
Other Income	20,82,399	11,10,938	21,20,551	52,80,268	46,18,280
Total income	2,76,37,066	1,75,95,877	1,82,72,394	6,49,49,289	6,48,88,239
Expenses					
Employee benefits expenses	1,22,58,046	80,34,059	76,40,270	3,67,58,022	2,57,52,435
Finance cost	3,30,724	2,96,586	78,895	10,40,031	78,895
Depreciation and amortization expenses	14,09,701	14,05,403	4,61,659	48,43,838	21,59,761
Other expenses	63,06,398	37,85,119	52,20,952	1,85,84,353	1,77,33,193
Total Expenses	2,03,04,868	1,35,21,166	1,34,01,776	6,12,26,244	4,57,24,284
Profit before tax	73,32,198	40,74,711	48,70,618	37,23,045	1,91,63,955
Tax Expense					
(1) Current tax	13,11,816	-	14,21,853	13,11,816	55,94,429
(2) Adjustment of tax relating to earlier period	-	-	-	-	(4,154)
(3) Deferred Tax charge/(credit)	6,65,154	9,11,215	(60,833)	(3,24,179)	(2,39,355)
Income Tax Expense	19,76,970	9,11,215	13,61,020	9,87,637	53,50,920
(Loss)/Profit for the Period/Year	53,55,228	31,63,496	35,09,599	27,35,408	1,38,13,035
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Re-measurement gains/ (losses) on defined benefit plans	(61,541)	23,861	76,038	23,869	76,038
Income Tax on above	15,484	(5,999)	(21,154)	(6,005)	(21,154)
Total Comprehensive Income for the Period/Year(Net of Taxes)	53,09,171	31,81,358	35,64,483	27,53,272	1,38,67,919
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				2,08,44,909	2,40,11,091
Earnings per equity share Basic and Diluted	2.68	1.58	1.75	1.37	6.91

1 The Special purpose financial information of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended thereafter. These Special purpose financial information have been reviewed and approved by the Board of Directors at their respective meetings held on June 10, 2020. The Statutory Auditors have conducted the audit of the Special purpose financial information and have expressed an unqualified audit opinion.

2 Figures for the previous period have been regrouped / reclassified to conform to the figures for the current period.

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

4 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year ended March 31, 2020 and the unaudited year to date figures upto December 31, 2019, being the end of the third quarter of the financial year which were subjected to limited review. Further the figures of corresponding quarter ended March 31, 2019, as reported in these results have been approved by Company's Board of Directors, but have not subject to limited review/Audit by auditors.

5 Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The Company has adopted Ind AS 116 from 1 April 2019 by applying the modified retrospective approach. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by Rs 24,62,575 & Rs 9,94,516 and other expenses have decreased by Rs 28,38,614 .Total expenses(net) have increased by Rs 6,18,477 and net profit after tax has reduced by Rs 4,62,868 than what it would have been had the replaced standards were applicable. Similarly, the basic and diluted EPS for the year March 31, 2020 is lesser by Rs. 0.23 per share. However, there is no impact of IND-AS 116 as on April 1, 2019 as the Company was not having any significant long term leases as on that date.

For Isgec SFW Boilers Private Limited

Suman Kumar Jain
Director
DIN: 07045002

Date : June 10, 2020
Place: Noida

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Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)
Statement of changes in cash flow for the year ended as at March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities:		
Profit before tax	37,23,045	1,91,63,955
Adjustment to reconcile profit before tax to net cash flows		
Foreign exchange (Gain)/Loss	(4,60,125)	96,233
Depreciation and amortization expenses	48,43,838	21,59,761
Interest expense	10,40,031	78,895
Interest income	(12,50,140)	(11,74,427)
Operating Profit before working capital changes	**78,96,649**	**2,03,24,417**
Movements in working capital :		
(Increase) in Loans and Financial Assets	(16,02,148)	(9,13,362)
(Increase) in Other Current Assets	(13,56,905)	(14,22,819)
(Increase)/Decrease in Trade Receivables	(1,36,00,203)	62,55,793
Increase on account of Provisions	11,00,343	6,54,818
Increase/(decrease) in Trade Payable	83,90,761	(21,62,308)
Increase in Other Current Liabilities	37,90,432	10,17,901
Cash generation from Operations	**46,18,929**	**2,37,54,441**
Direct Taxes Paid	(18,74,125)	(62,41,260)
Net cash generated from operating activities (A)	**27,44,804**	**1,75,13,180**
Cash flows from investing activities:		
Purchase of Property, Plant & Equipment	(33,52,204)	(4,74,550)
Fixed deposits made	(1,10,42,066)	(2,50,55,119)
Proceeds from maturity of fixed deposits	2,50,30,119	1,22,75,000
Interest income received	14,60,458	9,85,992
Net cash generated from/(used in) investing activities (B)	**1,20,96,307**	**(1,22,68,677)**
Cash flow from financing activities:		
Cash payments for the interest portion of the lease liability	(9,94,516)	-
Cash payments for the principal portion of the lease liability	(21,62,167)	-
Interest on late deposit of Income tax	(45,515)	(78,895)
Dividend paid on equity shares	(50,00,000)	-
Dividend tax paid	(10,27,765)	-
Net Cash (used in) financing activities (C)	**(92,29,963)**	**(78,895)**
Net increase in cash and cash equivalents (A+B+C)	**56,11,147**	**51,65,608**
Cash and Cash equivalents at the beginning of the year	**52,71,158**	**1,05,550**
Cash and Cash equivalents at the end of the year	**1,08,82,304**	**52,71,158**
Cash and cash equivalents comprise of (refer note 7)		
Cash in hand	5,541	1,866
Deposits with maturity of less than 3 months	-	40,90,288
Balance with a bank	1,08,76,763	11,79,004
	1,08,82,304	52,71,158

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

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

Per Amit Kumar Jain
Partner
Membership No. 097214
Place : New Delhi
Date : June 10, 2020

S.R. BATLIBOI & CO. LLP * NEW DELHI *

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Krishnamurthy Viswanathan
Director
DIN: 07047927

Suman Kumar Jain
Director
DIN: 07045002

Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)
Statement of changes in Equity for the year ended as at March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

A) Equity Share Capital

Particulars	Nos.	Amount in Rs
As at April 1, 2018	**20,00,000**	**2,00,00,000**
Add: Equity shares issued during the year	-	-
As at March 31, 2019	**20,00,000**	**2,00,00,000**
Add: Equity shares issued during the year	-	-
As at March 31, 2020	**20,00,000**	**2,00,00,000**

B) Other Equity

Particulars	Retained Earnings (Amount in Rs)
As at April 1, 2018	**1,01,43,172**
Profit for the year ended March 31 2019	1,38,13,035
Other Comprehensive income for the year	
Re-measurement gain on defined benefit plan (Net of taxes)	54,884
As at March 31, 2019	**2,40,11,091**
Profit for the year ended March 31 2020	28,43,719
Dividend paid	(50,00,000)
Dividend distribution tax paid	(10,27,765)
Other Comprehensive income for the year	
Re-measurement gain on defined benefit plan (Net of taxes)	17,864
As at March 31, 2020	**2,08,44,909**

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

Per Amit Kumar Jain
Partner
Membership No. 097214
Place : New Delhi
Date : June 10, 2020

S.R. BATLIBOI & CO. LLP NEW DELHI

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Krishnamurthy Viswanathan
Director
DIN: 07047927

Suman Kumar Jain
Director
DIN: 07045002

1. Corporate Information

The financial statements comprise financial statements of Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited) (the Company) for the year ended 31 March 2020. The Company is a private limited company domiciled in India with registered office in Radaur Road Yamuna Nagar Haryana 135001 and is incorporated under the provisions of the Companies Act applicable in India, Company was incorporated on 17 February, 2015 as a Joint Venture between Isgec Heavy Engineering Limited, India and Amec Foster Wheeler North America Corporation, USA (Amec FW NA).

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

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

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

The financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on June 10, 2020.

2. Significant accounting policies

2.1 Basis of Preparation

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

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

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

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below (as applicable).

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

2.2 Changes in accounting policies and disclosures

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New and amended standards and interpretations

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

There is no impact of IND-AS 116 as on April 1, 2019 as the Company was not having any significant long-term lease contract as on that date. The Company has entered into one lease contract for the office space during the year for five years. Before the adoption of Ind AS 116, the Company was not having any finance and operating lease.

Due to application of IND AS 116 for the year ended March 31, 2020, Right-of-Use Asset and corresponding Lease Liability have been recognised at Rs.14,318,765 during the year. Depreciation and Finance cost has increased by Rs 24,62,575 & Rs 9,94,516 respectively and other expenses have decreased by Rs 28,38,614. Total expenses(net) have increased by Rs 6,18,477 and net profit after tax has reduced by Rs 4,62,868 than what it would have been had the replaced standards were applicable. Similarly, the basic and diluted EPS for the period ended March 31, 2020 is lesser by Rs. 0.23 per share.

The MCA has also carried out amendments to the following other accounting standards. The effect on adoption of following mentioned amendments were insignificant on the standalone Ind AS financial statements.

(i) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments
(ii) Ind AS 109: Prepayment Features with Negative Compensation
(iii) Ind AS 19: Plan Amendment, Curtailment or Settlement
(iv) Amendments to Ind AS 28: Long-term interests in associates and joint ventures
(v) Ind AS 103 Business Combinations
(vi) Ind AS 111 Joint Arrangements
(vii) Ind AS 12 Income Taxes
(vii) Ind AS 23 Borrowing Costs

2.3 Summary of Significant Accounting Policies

a. Use of estimates

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

b. Foreign currencies

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

Transactions and balances

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

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

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

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

c. Fair value measurement

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

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

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

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

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

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

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

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

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

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

d. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash

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and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Revenue from contract with customer

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

Design and Engineering Services: -

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

Contract balances: -

Contract assets

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

Trade receivables

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

Contract liabilities

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

Interest Income

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

Export Incentive Income

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

f. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

g. Property, plant and equipment and Intangible assets

Property, plant and equipment

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

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

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

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

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

Intangible assets

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

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

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

Useful life of Software has been estimated as five years.

h. Provisions and Contingent Liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

A contingent liability is disclosed when

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) A present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but are disclosed in notes.

i. Retirement and other employee benefits;

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the

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contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

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

j. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

De-recognition

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. Cash and cash equivalents

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

l. Earnings Per Share

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

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

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

n. Leases

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

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

i) Right-of-use assets

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

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the assets of 5 years.

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

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

ii) Lease Liabilities

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

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

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

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

o. Impairment of non-financial assets

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

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

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

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

p. Cash dividend

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

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Isgec SFW Boilers Private Limited (Formerly known as Isgec Foster Wheeler Boilers Private Limited)
Notes to Financial Statements for the year ended March 31, 2020
(All Amounts are in Indian Rupees, Unless otherwise stated)

3A. Property, Plant & Equipment

Particulars	Computers	Office Equipment's	Total Property, Plant & Equipment
Cost			
As at April 1,2018	43,36,894	-	43,36,894
Additions	3,74,800		3,74,800
Disposals	-	-	-
As at March 31,2019	**47,11,694**	-	47,11,694
Additions	23,54,510	3,90,534	27,45,044
Disposals	-	-	-
As at March 31,2020	**70,66,204**	**3,90,534**	**74,56,738**
Accumulated depreciation			
As at April 1,2018	**17,27,116**	-	**17,27,116**
Depreciation charge for the Year ended 31st March 2019	17,23,742	-	17,23,742
As at March 31,2019	**34,50,858**	-	**34,50,858**
Depreciation charge for the Year ended 31st March 2020	16,63,136	1,46,736	18,09,872
As at March 31,2020	**51,13,994**	**1,46,736**	**52,60,730**
Net book value			
At March 31, 2019	12,60,836	-	12,60,836
At March 31, 2020	**19,52,210**	**2,43,798**	**21,96,008**

3B. Intangible Assets

Particulars	Amount
Cost	
As at April 1,2018	21,28,990
Additions	99,750
Disposals	-
As at March 31,2019	**22,28,740**
Additions	17,12,000
Disposals	-
As at March 31,2020	**39,40,740**
Accumulated amortisation	
As at April 1,2018	**3,16,878**
Amortisation charge for the Year ended 31st March 2019	4,36,019
As at March 31,2019	**7,52,897**
Amortisation charge for the Year ended 31st March 2020	5,71,391
As at March 31,2020	**13,24,288**
Net book value	
At March 31, 2019	14,75,843
At March 31, 2020	**26,16,452**

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4. Loans

Particulars	Non - current		Current	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
Unsecured considered good (unless otherwise stated)				
Loans and advances to employees	2,22,250	1,11,640	13,57,943	2,97,103
Total Loans	2,22,250	1,11,640	13,57,943	2,97,103

5. Deferred Tax Assets / Liabilities (net)

Particulars	As at March 31,2020	As at March 31,2019
Deferred Tax Assets	9,00,335	4,73,850

The balance comprises temporary differences attributable to:

Particulars	As at March 31,2020	As at March 31,2019
Deferred Tax Liabilities		
Right-of-use asset	30,98,904	-
Deferred Tax Assets		
Property, Plant and Equipment	73,070	29,841
Lease Liability	31,74,511	-
Security Deposit	80,596	-
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	6,71,063	4,44,010
Total Deferred tax Assets/(Liabilities)	9,00,335	4,73,850

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

Particulars	As at March 31,2020	As at March 31,2019
Accounting profit before income tax	37,23,045	1,91,63,955
Applicable tax rate	25.17%	27.82%
Computed tax expense	9,37,016	53,31,412
Effect of tax rate change on opening deferred tax balance	45,171	(2,482)
Disallowable expenditures under Income tax	11,455	21,990
Adjustment of tax relating to earlier period	(1,08,311)	-
At the effective income tax rate of 23.78% (previous year 27.93%)	8,85,331	53,50,920

Adjustment for deferred tax credit relating to previous year

Note: The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and re-measured its deferred tax assets basis the rate prescribed in the said Section.

6. Trade Receivables

Particulars	As at March 31,2020	As at March 31,2019
Secured, considered good	-	-
Unsecured, considered good from related party	2,04,85,229	64,24,901
Total Trade receivables	2,04,85,229	64,24,901

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor are any trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member except as mentioned in related party transactions (Note No 24(c)).Trade receivables are non-interest bearing and are generally on terms of 30 days though there may be some delay beyond the contractual credit period . For terms and conditions relating to related party transactions please refer note 24.

7. Cash and Bank Balances

Particulars	Current	
	As at March 31,2020	As at March 31,2019
Cash and cash equivalents		
Balance with bank		
- On Current account	1,08,76,763	11,79,004
- Deposits with original maturity of less than 3 months	-	40,90,288
Cash in hand	5,541	1,866
Total	1,08,82,304	52,71,158
Other bank balances		
- Earmarked unclaimed dividend account	24,50,000	-
- Deposits with remaining maturity of less than 12 months	1,10,67,066	2,50,55,119
Total	1,35,17,066	2,50,55,119
Total	2,43,99,370	3,03,26,277

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8. Other Financial Assets

Particulars	Non Current		Current	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
Security Deposits	7,59,769	6,98,317	-	-
Interest accrued but not due on deposits	-	-	6,66,543	9,38,313
Unbilled revenue			15,50,625	11,19,926
Total	7,59,769	6,98,317	22,17,168	20,58,239

9. Other Current Assets

Particulars	Non Current		Current	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
Balance with Statutory / Government authorities	-	-	1,07,19,394	83,30,741
Prepaid expenses	-	-	5,16,020	8,96,084
Prepaid rent	-	3,18,069	-	3,33,614
	-	-		
Total Other Current Assets	-	3,18,069	1,12,35,414	95,60,439

10. Share capital

Particulars	As at March 31,2020	As at March 31,2019
Authorised share Capital :		
2,000,000 (March 31, 2019: 2,000,000) Equity shares of Rs.10 each with voting rights	2,00,00,000	2,00,00,000
Issued, Subscribed & Fully paid-up Capital		
Opening Balance	2,00,00,000	2,00,00,000
Issued During the year	-	-
Total Issued, Subscribed & Fully paid-up Capital	2,00,00,000	2,00,00,000

Notes :

i) Terms/ rights attached to equity shares

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

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

Particulars	As at March 31,2020		As at March 31,2019	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Equity shares outstanding at the beginning of the Year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Add : Issued during the Year	-	-	-	-
Equity shares outstanding at the end of the Year	20,00,000	2,00,00,000	20,00,000	2,00,00,000

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

Class of Shares / Names of Shareholder:	As at March 31,2020		As at March 31,2019	
	No. of shares	% holding	No. of shares	% holding
Equity Shares with voting rights				
- Isgec Heavy Engineering Limited and its nominees	10,20,000	51%	10,20,000	51%
- Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)	9,80,000	49%	9,80,000	49%

iv) Proposed Dividend on equity shares:

Particulars	March 31, 2020	March 31, 2019
Proposed dividend for the year ended on 31 March 2019 (Rs 50,00,000 @ INR 2.5 per share)	-	50,00,000
DDT on Proposed dividend	-	10,27,765
Total	-	60,27,765

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11. Other equity

Particulars	Retained Earning	
	As at March 31,2020	As at March 31,2019
Opening Balance	2,40,11,091	1,01,43,172
Profit for the year	28,43,719	1,38,13,035
Dividend paid	(50,00,000)	-
Dividend distribution tax	(10,27,765)	-
Other Comprehensive income for the year		
Re-measurement gain on defined benefit plan (Net of taxes)	17,864	54,884
Total Other equity	**2,08,44,909**	**2,40,11,091**

12. Provisions

Particulars	Non - current		Current	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
Provision for Employee Benefits				
Gratuity	10,23,746	5,47,775	-	-
Compensated Absences	-	-	15,34,625	9,34,122
Total	**10,23,746**	**5,47,775**	**15,34,625**	**9,34,122**

Note : Detail of Employee Benefit Expenses

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

(a) Defined Contribution Plan

The employer contribution to Regional Provident Commissioner on account of Provident Fund is Rs 9,86,682 (Previous Year Rs 6,74,990) and on account of Family Pension Scheme is Rs. 4,78,952 (Previous Year Rs. 3,38,340). The contributions are charged to statement of profit & loss.

(b) Defined Benefit Plan

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

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

Particulars	Gratuity 2019-20	Gratuity 2018-19
1.Change in Present Value of Obligation		
Present value of obligation at the beginning of the year	5,47,775	3,12,507
Interest cost	41,960	24,501
Current service cost	4,57,880	2,87,505
Benefits paid	-	-
Actuarial (gain) on obligation	(23,869)	(76,738)
Present value of obligation at end of the year	**10,23,746**	**5,47,775**
2.Amount to be recognised in Balance Sheet		
Present value of obligation as at end of the year	10,23,746	5,47,775
Fair value of plan assets as at the end of the year	-	-
Net Asset/(liability) recognised in Balance Sheet	**(10,23,746)**	**(5,47,775)**
3.Expenses recognised in the statement of profit & loss.		
Interest Cost	41,960	24,501
Current service cost	4,57,880	2,87,505
Expenses recognised in the Statement of Profit & loss	**4,99,840**	**3,12,006**
4.Recognised in other comprehensive income for the year		
a. Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b. Actuarial gain / (loss) for the year on PBO	23,869	76,738
c. Actuarial gain /(loss) for the year on Asset	-	-
d. Unrecognized actuarial gain/(loss) at the end of the year	**23,869**	**76,738**
5. Maturity Profile of Defined Benefit Obligation		
1. Within the next 12 months (next annual reporting period)	1,917	1,197
2. Between 2 and 5 years	92,651	51,618
3. 6 year onwards	9,29,178	4,94,960
6. Quantitative sensitivity analysis for significant assumptions is as below		
(i). Impact of the change in discount rate		
Present Value of Obligation at the end of the year	10,23,746	5,47,775
a. Impact due to increase of 0.50 %	(77,306)	(41,826)
b. Impact due to decrease of 0.50 %	85,562	46,329
Impact of the change in salary increase		
Present Value of Obligation at the end of the year	10,23,746	5,47,775
a. Impact due to increase of 0.50 %	85,396	46,627
b. Impact due to decrease of 0.50 %	(77,681)	(42,450)

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

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

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(ii) Sensitivity Analysis Method

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

Assumptions	2019-20	2018-19
7. Actuarial assumptions		
a) Economic Assumptions		
i. Discounting Rate in %	6.80	7.66
ii. Salary escalation in %	6.50	6.50
b) Demographic Assumption		
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	5	5
From 31 to 44 years	3	3
Above 44 years	2	2

12A. Leases

Company as a lessee

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

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

Particulars	Amount
As at March 31,2019	-
Addition (including advance rental and prepayment of INR 4,56,683)	1,47,75,448
Depreciation expense	24,62,575
As at 31 March 2020	**1,23,12,873**

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

Particulars	Amount
As at March 31,2019	-
Addition	1,43,18,765
Accretion of interest	9,94,516
Payment	27,00,000
As at 31 March 2020	**1,26,13,281**
Non current lease liability	23,57,621
Current lease liability	1,02,55,660

The following are the amounts recognised in profit or loss:

Particulars	Amount
Depreciation expense of right-of-use assets	24,62,575
Interest expense on lease liabilities	9,94,516
Total amount recognised in profit or loss	**34,57,091**

12B. Other financial liabilities

Particulars	Non - current		Current	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
Unpaid Dividend	-	-	24,50,000	-
Capital Creditors	-	-	11,04,840	-
Total	-	-	**35,54,840**	-

13. Trade payables

Particulars	Current	
	As at March 31,2020	As at March 31,2019
Trade payables		
Dues to micro, small and medium enterprises #	-	-
Payables Other than MSME		
- to a Related party (Refer Note 24)	48,26,391	18,71,235
- to others	75,58,419	21,22,814
Total	**1,23,84,810**	**39,94,049**

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

Particulars	As at March 31,2020	As at March 31,2019
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	-	-

14.A Other Liabilities

Particulars	Current	
	As at March 31,2020	As at March 31,2019
Statutory dues payable	10,80,332	6,93,270
Total	**10,80,332**	**6,93,270**

14.B Contract Liability

Particulars	Current	
	As at March 31,2020	As at March 31,2019
Advance from a related party (Refer Note 24)	54,25,007	20,21,637
Total	**54,25,007**	**20,21,637**

15. Current tax Liabilities

Particulars	As at March 31,2020	As at March 31,2019
Provisions for income- tax	13,42,838	56,73,324
Less: Advance tax & tax deducted at source	11,01,577	48,69,754
Total	**2,41,261**	**8,03,570**

16. Revenue from contracts with customers

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Design and engineering services	5,96,69,021	6,02,69,959
Total	**5,96,69,021**	**6,02,69,959**

16.A Contract balances

Particulars	As at March 31,2020	As at March 31,2019
Unbilled Revenue (refer note 8)	15,50,625	11,19,926
Contract liabilities (refer note 14B)	54,25,007	20,21,637

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

The timing for revenue recognition is services performed over time

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

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

	31.03.2020	31.03.2019
Amount included in the contractual liability of the beginning of the year	20,21,637	9,34,294
Performance Obligation satisfied in previous years	-	-

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

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

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

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

There is no remaining performance obligations as on March 31, 2020 (previous year Nil) to be performed next year in relation to the services provided in current year.

17. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on financial assets at amortized cost-		
- bank deposits	11,85,125	11,74,427
- security deposits	61,452	-
- on Loan to Employees	1,143	-
Interest income on Income tax refund	2,420	-
Foreign exchange gain	1,77,214	-
Export incentive	38,52,914	34,43,853
Total	**52,80,268**	**46,18,280**

18. Employee Benefits Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	3,41,61,914	2,40,56,834
Gratuity	5,43,762	3,11,306
Contribution to provident fund	15,55,454	10,78,530
Staff welfare	4,96,892	3,05,765
Total	**3,67,58,022**	**2,57,52,435**

19. Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on lease liabilities (Refer Note 2.2)	9,94,516	-
Interest on late deposit of income tax	45,515	78,895
Total	**10,40,031**	**78,895**

20. Depreciation and Amortization Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Tangible Assets	18,09,872	17,23,742
Depreciation on ROU Assets	24,62,575	-
Amortization of Intangible assets (Software)	5,71,391	4,36,019
Total	**48,43,838**	**21,59,761**

21. Other Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity Expense	10,09,039	-
Technical design expenses	41,53,546	16,84,547
Business support service	77,18,400	1,07,60,400
Repair & maintenance (computers)	15,65,589	13,68,267
Repair & maintenance (others)	7,24,668	-
Legal and professional charges	3,64,000	3,60,315
Audit fee(Refer Note A)	9,36,284	5,20,000
Communication expenses	8,36,634	5,12,500
Bank charges	1,84,501	29,381
Travel expenses	4,36,524	18,46,252
Foreign exchange loss	-	4,93,172
Rates and taxes	41,300	-
Miscellaneous balances written off	4,68,657	-
Miscellaneous expense	1,45,211	1,58,359
TOTAL	**1,85,84,353**	**1,77,33,193**

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Note A

Disclosure	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to Auditors		
As auditor:		
Audit fee	5,25,000	5,00,000
Limited review	3,75,000	-
Reimbursement of expenses	36,284	20,000
Total	9,36,284	5,20,000

22. Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	13,11,816	55,94,429
Adjustment of current tax relating to earlier period	-	(4,154)
Deferred Tax (credit)	(3,18,174)	(2,39,355)
Adjustment of deferred tax credit relating to earlier period	(1,08,311)	-
Total	**8,85,331**	**53,50,920**

23. Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic / Diluted Earnings per share		
Numerator for earnings per share		
Profit after taxation (In Rs.)	28,43,719	1,38,13,035
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	20,00,000	20,00,000
Earnings per share-Basic (one equity share of Rs. 10 /- each) (In Rs.)	1.42	6.91
Earnings per share-Diluted (one equity share of Rs. 10 /- each) (In Rs.)	1.42	6.91

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

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

24. Related party transactions
(A) List of related parties

Entities having control over the reporting entity
- Isgec Heavy Engineering Limited
-Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)

Other related parties with whom the Company have transactions during the year
-Isgec Redecam Enviro Solutions Pvt Ltd
-Sumitomo SHI FW Energy Management (Shanghai) Company Limited (Formerly Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China)
-Sumitomo SHI FW Service (Thailand) Ltd.

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(B) Transactions between related parties during the year

Name of related party	Accounts affected	Amount of transactions during the year ended March 31,2020	Amount of transactions during the year ended March 31,2019
Isgec Heavy Engineering Ltd.	Technical design expenses and business support services*	99,34,999	1,46,75,459
Isgec Heavy Engineering Ltd.	Sale of services**	61,07,076	15,29,163
Isgec Heavy Engineering Ltd.	Reimbursement received of Travelling Expenditure***	1,49,169	-
Isgec Redecam Enviro Solutions Pvt Ltd	Sale of services****	5,82,336	-
Sumitomo SHI FW Energy Management (Shanghai) Company Limited (Formerly Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China)	Sale of services	3,26,671	1,07,009
Sumitomo SHI FW Energy Management (Shanghai) Company Limited (Formerly Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China)	Reimbursement received of Travelling Expenditure	1,95,145	-
Sumitomo SHI FW Service (Thailand) Ltd.	Sale of services##	5,577	6,66,765
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)	Sale of services#	5,36,82,073	5,81,77,923
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)	Reimbursement received of Travelling Expenditure	49,60,063	-

Note *Inclusive of GST of Rs 15,15,508 (previous Year: 22,38,629)
****Inclusive of GST of Rs 9,45,882 (previous Year: 2,10,901) and unbilled Revenue of Rs 52,884 (previous year 1,46,589)**
*****Inclusive of GST of Rs 18,447 and unbilled travel reimbursement for Rs 28,241**
******Inclusive of GST of Rs 88,831**
 # Including unbilled revenue of Rs. 14,69,500 (previous year Rs. 9,28,704)
Including unbilled revenue of Rs. 44,633 in previous year

(C) Year end balances of related parties

Name of related party	Accounts affected	As at March 31,2020	As at March 31,2019
Isgec Heavy Engineering Ltd.	Trade payable	48,26,391	18,71,235
Isgec Heavy Engineering Ltd.	Trade receivable	7,73,480	-
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)	Trade receivable	1,97,11,749	64,24,901
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)	Advance from customers	54,25,007	20,21,636
Isgec Heavy Engineering Ltd.	Unbilled receivable	52,884	1,46,589
Isgec Heavy Engineering Ltd.	Unbilled travel reimbursement	28,241	-
Sumitomo SHI FW Service (Thailand) Ltd.	Unbilled receivable	-	44,633
Sumitomo SHI FW Energia Oy (Formerly Amec Foster Wheeler Energia Oy)	Unbilled receivable	14,69,500	9,28,704

(D) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25. Operating Segment Information

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

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

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

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26 Fair value measurements

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

Financial instruments by category	Carrying Value		Fair Value	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
Financial assets at amortized cost				
Cash and bank balances	2,43,99,370	3,03,26,277	2,43,99,370	3,03,26,277
Loans	15,80,193	4,08,743	15,80,193	4,08,743
Trade Receivables	2,04,85,229	64,24,901	2,04,85,229	64,24,901
Other financial assets	29,76,937	27,56,556	29,76,937	27,56,556
	4,94,41,729	**3,99,16,477**	**4,94,41,729**	**3,99,16,477**
Financial Liabilities at amortized cost				
Trade Payables	1,23,84,810	39,94,049	1,23,84,810	39,94,049
Lease liability	1,26,13,281	-	1,26,13,281	-
Other financial liabilities	35,54,840	-	35,54,840	-
	2,85,52,931	**39,94,049**	**2,85,52,931**	**39,94,049**

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

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27. Financial risk management objectives and policies

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

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

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

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

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks , such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans, deposits, and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2020. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020.

(i) Foreign Currency Risk

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

(ii) Foreign currency risk sensitivity

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

Currency	Nature of Transaction	As at March 31,2020		As at March 31,2019		Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	1% Increase	1% decrease
EURO	Export Trade Receivables	€ 2,37,349	1,97,11,749	€ 82,686	64,24,901	1,97,117	(1,97,117)
USD	Unbilled receivable	$ -	-	€ 645	44,633	-	-
EURO	Unbilled receivable	€ 19,163	14,69,500	€ 11,952	9,28,704	14,695	(14,695)

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and Loan given to employees, including deposits with banks. The Company's customer are various group companies of its JV Partner which holds 49% stake in the Company. As per terms of agreement with customers all payments are due with in 30 days of billing. Company also gets an advance equal to 15% of the value of Purchase order.

(i) Trade Receivables

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

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as High, as its customers are located only in Finland and China.

(ii) Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 is the carrying amounts . The Company's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particular	As at March 31,2020	As at March 31,2019
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and Bank balance	1,33,32,304	52,71,158
Bank deposits	1,10,67,066	2,50,55,119
Long term Loans & advances	2,22,250	1,11,640
Short term Loans & advances	13,57,943	2,97,103
Others Current financial assets	22,17,168	20,58,239
Other non current financial assets	7,59,769	6,98,317
	2,89,56,500	**3,34,91,576**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables (Gross of provision)	2,04,85,229	64,24,901
	2,04,85,229	**64,24,901**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

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

Particular	As at March 31,2020	As at March 31,2019
Neither past due nor impaired	1,04,63,281	38,47,475
0 to 180 days due past due date	1,00,21,948	25,77,426
More than 180 days past due date	-	-
Total Trade Receivables (gross of provision)	2,04,85,229	64,24,901

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its liquidity risk.

Maturity profile of financial liabilities

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

As at March 31,2020	Less than 1 year	1 to 5 years	Total
Trade payables	1,23,84,810	-	1,23,84,810
Lease liability	23,57,621	1,02,55,660	1,26,13,281
Other financial liabilities	35,54,840	-	35,54,840
As at March 31,2019	**Less than 1 year**	**1 to 5 years**	**Total**
Trade payables	39,94,049	-	39,94,049

28. The Company is not having any contingent liabilities, commitments and litigation as on March 31, 2020 (March 31, 2019: NIL)

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

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 is significantly impacting business operation of the Company by way of interruption in providing services, unavailability of resources required with the employees, lock down of office premises and cancellation of some projects. On March 23, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 16, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

On account of this, management has prepared future cash flow projections and assessed the recoverability of its assets using various internal and external information up-to the date of approval of these financial statements. Further, based on this evaluation and current indicators of future economic conditions, the Company expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

30. Significant accounting estimates and assumptions

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

Other disclosures relating to the Company's exposure to risks and uncertainties includes:
- Financial risk management objectives and policies Note 27
- Sensitivity analyses disclosures in Notes 12 and Note 27.
- Estimation uncertainty relating to the Global health pandemic on Covid 19 Note 29.

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.
The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
Further details about gratuity obligations are given in Note 12.

Useful lives of property, plant and equipment

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

Leases - Estimating the incremental borrowing rate

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

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

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

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

Per Amit Kumar Jain
Partner
Membership No. 097214
Place : New Delhi
Date : June 10, 2020

Krishnamurthy Viswanathan
Director
DIN: 07047927

Suman Kumar Jain
Director
DIN: 07045002

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