

INDEPENDENT AUDITOR'S REPORT

To

The Members,
Isgec Engineering & Projects Limited.
Yamunanagar
Haryana.

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Isgec Engineering & Projects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow statement for the period then ended, notes to financial statement comprising a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial

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reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2017 ('the Order') issued by the Central Government in terms of Section 143(11) 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 Profit and Loss Statement, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses;



Contd. on 3

(3)

iii. There were no amounts which were to be transferred to the Investor Education and Protection Fund by the Company.

PLACE : Noida
DATE : 28.05.2017

FOR P.G. CHAWLA & CO.
Firm Reg.No.014407N
Chartered Accountants



P.G. CHAWLA
(Partner)
M.No.093392

Annexure 1 to the Independent Auditor's Report of even date to the members on the financial statements for the Period ended March 31,2017

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Re: **Isgec Engineering & Projects Limited** ('the Company')

- i. In respect of the fixed assets of the Company:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets and capital work in progress.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the allotment letter and possession letter of Villa No. 17B in "The Woodside" residential villa development project in Tehsil Kasauli, Distt. Solan, Himachal Pradesh is in the name of company. However the title deeds of this immoveable property is not yet registered in the name of company.
- ii. The Company's business does not involve inventories and accordingly the requirements paragraph 4(ii) of the Order are not applicable to the Company and hence not been commented upon.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. According to the information and explanations given to us, the Company has not accepted deposits during the year and hence not commented upon.
- vi. According to the information and explanations given to us, the Company has not commenced commercial operations as of March 31, 2017, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not been commented upon.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of excise, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than

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six months from the date they became payable.

- c. According to the information and explanations given to us, there are no dues of income tax, which have not been deposited on account of any dispute. The provisions relating to sales-tax service tax, customs duty, excise duty, value added tax and cess are not applicable to the Company.
- viii. The Company did not have any outstanding dues from banks, financial institutions, debenture holders or government.
- ix. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer) and term loans hence, reporting under clause (ix) of the order is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the period.
- xi. The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, 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 sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence provisions of clause 3(xiv) are not applicable and not commented upon.
- xv. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- xvii. According to the information and explanations given to us, the Company did not have any holdings or dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 - Refer-Note 21.

PLACE : Noida
DATE : 28.05.2017

For P.G. Chawla & Co.
Firm Reg.No.014407
Chartered Accountants


P.G. Chawla
(Partner)
M.No.093392

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Isec Engineering & Projects Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of

We have audited the internal financial controls over financial reporting of Isec Engineering & Projects Limited. ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended March 31, 2017.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Isgec Engineering & Projects Limited., which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the period ended March 31, 2017 and a summary of significant accounting policies and other explanatory information, and our report dated 28th May, 2017 expressed an unqualified opinion thereon.

PLACE : Noida
DATE : 28.05.2017

FOR P.G. CHAWLA & CO.
Firm Reg.No.014407N
Chartered Accountants



P.G. CHAWLA
(Partner)
M.No.093392

ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

BALANCE SHEET AS AT 31.03.2017

(In Rupees)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	3	3,49,77,254	3,56,27,477	-
(b) Capital work - in - progress				3,56,59,361
(e) Other intangible assets				
(h) Financial assets				
(i) Investments				
(iii) Loans				
(iv) Others				
(i) Deferred tax assets (net)	4	75,207	99,174	-
(j) Other non - current assets				
Sub Total (a)		3,50,52,461	3,57,26,651	3,56,59,361
(2) Current assets				
(a) Inventories				
(b) Financial assets				
(i) Investments				
(ii) Trade receivables				
(iii) Cash and cash equivalents	5	46,464	7,93,510	1,87,642
(iv) Other Bank Balances	6	45,74,602	32,00,000	-
(v) Loans				
(vi) Others (to be specified)	7	2,32,650	1,24,584	
(c) Current tax assets (net)	8		18,415	3,993
(d) Other current assets				4,01,190
Sub Total (b)		48,53,716	41,36,509	5,92,825
Total assets (a+b)		3,99,06,177	3,98,63,160	3,62,52,186
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	9	4,00,00,000	4,00,00,000	3,60,00,000
(b) Other equity	10	(1,21,314)	(3,51,890)	36,063
Sub Total (a)		3,98,78,686	3,96,48,110	3,60,36,063
LIABILITIES				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings				
(ii) Trade payables				
(iii) Other financial liabilities				
(b) Provisions				
(c) Deferred tax liabilities (net)				
(d) Other non - current liabilities				
Sub Total (b)				
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings				
(ii) Trade payables	11	-	2,00,000	2,00,000
(iii) Other financial liabilities	12	23,000	15,050	11,400
(b) Other current liabilities	13			4,723
(c) Provisions				
(d) Current tax liabilities (net)	8	4,491	-	-
Sub Total (c)		27,491	2,15,050	2,16,123
Total Equity & Liabilities		3,99,06,177	3,98,63,160	3,62,52,186

The accompanying notes form an integral part of the financial statements

As per our report of even date.

FOR P.G.CHAWLA & CO.

Chartered Accountants & Projects Ltd.

FRN No. 011407

P.G. CHAWLA

(Partner)

M.No. 93392

Place: Noida

Date :

S K KHORANA

Director

DIN: 00085300

ADITYA PURI

Director

DIN: 00052534

ISGEC ENGINEERING & PROJECTS LTD.
CIN: U29248HR2007PLC036695
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017


(In Rupees)

	Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
I	Revenue from operations	14	8,64,000	3,60,000
II	Other Income	15	3,23,648	1,92,189
III	Total income (I + II)		11,87,648	5,52,189
IV	Expenses			
	Cost of materials consumed			
	Purchases of stock - in - trade			
	Changes in inventories of finished goods, stock - in - trade and work - in - progress			
	Employee benefits expenses			
	Finance costs			
	Depreciation and amortization expenses	16	6,50,223	5,12,394
	Other expenses	17	39,116	4,19,535
	Total expenses		6,89,339	9,31,929
V	Profit / (loss) before exceptional items and tax (I - IV)		4,98,309	(3,79,740)
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		4,98,309	(3,79,740)
VIII	Tax expense	18		
	(1) Current tax		2,41,676	1,06,792
	(2) Previous year tax		2,090	595
	(3) Deferred tax		23,967	(99,174)
			2,67,733	8,213
IX	Profit / (loss) from continuing operations (VII - VIII)		2,30,576	(3,87,953)
X	Profit / (loss) from discontinued operations (VII - VIII)		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit / (loss) from discontinued operations (after tax) (X - XI)		-	-
XIII	Profit / (loss) for the period (IX + XII)		2,30,576	(3,87,953)
XIV	Other comprehensive income	20		
	A (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
			-	-
XV	Total comprehensive income for the period (XIII + XIV)		2,30,576	(3,87,953)
XVI	Earnings per equity share (for continuing operations)	20		
	(1) Basic		0.0669	0.0021
	(2) Diluted		0.0669	0.0021
XVII	Earnings per equity share (for discontinued operations)			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		0.067	0.002
	(2) Diluted		0.067	0.002

The accompanying notes form an integral part of the financial statements

As per our report of even date.
FOR P.G. CHAWLA & CO.
Chartered Accountants
FRN No. 04447N




S.K. KHORANA
Director
DIN: 00085300
 
ADITYA PURI
Director
DIN: 00052534

ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rupees)

	Year ended 31.3.2017	Year ended 31.3.2016
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax	4,98,309	(3,79,740)
Adjustments for:		
Interest Income	(3,23,648)	(1,92,189)
Depreciation	6,50,223	5,12,394
Operating profit/(loss) before working capital changes	8,24,884	(59,535)
Adjustment for Changes in working Capital		
Adjustments for (Increase)/Decrease in operating assets:	(1,08,066)	2,76,606
Increase/(Decrease) in Other current liabilities & Provisions	(1,92,050)	(1,073)
Cash generated from Operations	5,24,768	2,15,998
Direct Taxes Refund/ (Paid)	(2,20,860)	(1,21,809)
Net Cash Flow from Operating Activities	3,03,908	94,189
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress	-	(4,80,510)
Interest Received	3,23,648	1,92,189
Net Cash used in Investing Activities	3,23,648	(2,88,321)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from share capital	-	40,00,000
Net Cash used in financing activities	-	40,00,000
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	6,27,556	38,05,868
Cash and Cash equivalents at beginning of the year	39,93,510	1,87,642
Cash and Cash equivalents at the end of the year	46,21,066	39,93,510
Beakup of Cash & Cash Equivalent		
Cash and cash equivalents	46,464	7,93,510
Other Bank Balances	45,74,602	32,00,000

The accompanying notes form an integral part of the financial statements

As per our report of even date.
FOR P.G.CHAWLA & CO.

Chartered Accountants
FRN No.014407N

P.G.CHAWLA
(Partner)

M.No.93392

Place:Noida

Date :

For Isgec Engineering & Projects Ltd.

S.K. KHORANA
Director

DIN: 00085300

ADITYA PURI
Director

DIN: 00052534

ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. Equity share capital		
Particulars		(Amount in Rs.)
As at 1st April 2015		3,60,00,000
Changes in Equity Share Capital		40,00,000
As at 31st March 2016		4,00,00,000
Changes in Equity Share Capital		-
As at 31st March 2017		4,00,00,000
B. Other equity		(Amount in Rs.)
Particulars	Reserve & Surplus	
	Retained Earnings	Total
As at 01.4.2015	36,063	36,063
Additions during the period	(3,87,953)	(3,87,953)
As at 31.3.2016	(3,51,890)	(3,51,890)
Additions during the period	2,30,576	2,30,576
As at 31.03.2017	(1,21,314)	(1,21,314)

The accompanying notes form an integral part of the financial statements

As per our report of even date.
FOR P.G.CHAWLA & CO.

Chartered Accountants
FRN No.014407N



P.G. CHAWLA
(Partner)

M.No.93392

Place: Noida

Date :

For Isgec Engineering & Projects Ltd.

S.K. KHORANA
Director

DI: 00085300

ADITYA PURI
Director

DIN: 00052534

1. Corporate Information

ISGEC Engineering & Projects Limited (the "Company") is a wholly owned subsidiary company of Isgec Heavy Engineering Limited holding the entire share capital alongwith its nominees.

Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2016, has adopted Indian Accounting Standards (the 'IND AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016. For all periods up to and including the year ended 31st March 2016, the Company had prepared its financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP').

These financial statements are the Company's first IND AS financial statements. The Company has adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101 First time adoption of Indian Accounting Standards. Previous period numbers in the financial statements have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 27.

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 presented in Indian rupees (INR) except otherwise stated.

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

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

2. Summary of Significant Accounting Policies

2.1 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The specific recognition criteria described below must also be met before revenue is recognized.



Interest income is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.3 Property, Plant & Equipment

Transition to Ind AS

The Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2015, measured as per the previous GAAP and use that as its deemed cost as at the transition date.

Recognition

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost includes its purchase price (net of CENVAT / duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criterion is met.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Derecognition

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

2.4 Depreciation and Amortization

Depreciation is provided on Property, plant & Equipment in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method.

Assets costing not more than Rs.5000 are fully depreciated in the year of their acquisition



2.5 Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.7 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid/payable 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 countries where the Company operates and generates taxable income. Current income tax is charged at the end of reporting period to profit & loss.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or 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 balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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 utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.8 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as



part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 or a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or 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 recognized 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.

A contingent asset is disclosed, when possible asset 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.

Contingent liabilities and assets are not recognised but are disclosed in notes.

2.10 Earning 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, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

2.11 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.

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.



Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in three broad categories:

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.12 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.

2.13 Fair Value Measurement

The Company measures financial instruments such as derivatives, at fair value at each balance sheet date.

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

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 Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

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



ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

3 Property, plant & equipment

Particulars	Land (Free Hold)	Buildings	Total
Gross Block (at cost or revalued amount)			
As at 01.04.2015	-	-	-
Additions	2,22,75,871	1,38,64,000	3,61,39,871
Disposals	-	-	-
As at 31.03.2016	2,22,75,871	1,38,64,000	3,61,39,871
Additions			
Disposals			
As at 31.03.2017	2,22,75,871	1,38,64,000	3,61,39,871
Depreciation			
As at 01.04.2015			-
Charge for the year	-	5,12,394	5,12,394
Disposals			-
Adjustments			
As at 31.03.2016	-	5,12,394	5,12,394
Charge for the year		6,50,223	6,50,223
Disposals			
Adjustments			
As at 31.03.2017	-	11,62,617	11,62,617
Net Block			
As at 01.04.2015			-
As at 31.03.2016	2,22,75,871	1,33,51,606	3,56,27,477
As at 31.03.2017	2,22,75,871	1,27,01,383	3,49,77,254



ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

4 Movement in Deferred Tax Assets

(In Rupees)

	Preliminary expenses	Depreciation	Total
As at 01.04.2015			
(Charged)/credited:-			
-to profit & loss	99,174	-	99,174
-to other Comprehensive Income			
-Deferred tax on basis Adjustment			
As at 31.03.2016	99,174	-	99,174
(Charged)/credited:-	(23,967)		
-to profit & loss			
-to other Comprehensive Income			
-Deferred tax on basis Adjustment			
As at 31.03.2017	75,207		99,174

5 Current Financial Assets- Cash & cash equivalents

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks			
- In current & Cash Credit accounts	46,464	7,93,510	1,87,642
Cash in hand	-	-	-
	46,464	7,93,510	1,87,642

6 Current Financial Assets -Others Bank balance

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Fixed Deposit with Banks	45,74,602	32,00,000	-
Total other financial assets	45,74,602	32,00,000	-

7 Current Financial Assets -Others

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
-Interest accrued but not due	2,32,650	1,24,584	
Total other financial assets	2,32,650	1,24,584	-

8 Current tax assets / liabilities (net)

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Prepaid Income Taxes	2,37,185	1,25,207	3,993
Less: Provisions for income- tax	2,41,676	1,06,792	
Net current tax assets	(4,491)	18,415	3,993



ISGEC ENGINEERING & PROJECTS LTD.
CIN: U29248HR2007PLC036695
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

9 Share capital

	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	(In Rupees)	Number of shares	(In Rupees)	Number of shares	(In Rupees)
Authorised (Equity shares of 10/- each with voting rights)	50,00,000	5,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued (Equity shares of Rs.10/-each with voting rights)	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Subscribed (Equity shares of Rs.10/-each with voting rights)	40,00,000	4,00,00,000	40,00,000	4,00,00,000	36,00,000	3,60,00,000
Total	40,00,000	4,00,00,000	40,00,000	4,00,00,000	36,00,000	3,60,00,000

9.1. Additional information as per Schedule III

Notes:

- (a) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:

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 proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity share holders.

- (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of Shares	(In Rupees)	Number of Shares	(In Rupees)	Number of Shares	(In Rupees)
Equity Shares outstanding at the beginning of the Year	40,00,000	4,00,00,000	36,00,000	3,60,00,000	33,00,000	3,30,00,000
Add: Issued during the year	-	-	4,00,000	4,00,00,000	3,00,000	30,00,000
Less: Shares bought back	-	-	-	-	-	-
Equity Shares outstanding at the close of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000	36,00,000	3,60,00,000

- (c) Detail of Shares held by each Shareholder holding more than 5% Shares:

Class of Shares/Name of the Shareholders:	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of Shares held	% Holding in that class of shares	Number of Shares held	% Holding in that class of shares	Number of Shares held	% Holding in that class of shares
Equity Shares with voting rights (i) Isgec Heavy Engineering Ltd.	40,00,000	100%	40,00,000	100%	36,00,000	100%

Out of 40,00,000 shares (previous year 40,00,000 shares) , 6 shares are held by 6 individuals holding 1 share each as nominee of Isgec Heavy Engineering Ltd



ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

10 Other equity

	Retained earnings	Other comprehensive income	Total
As at 31.3.2015	36,063	-	36,063
Profit for the period	(3,87,953)	-	(3,87,953)
Transfer to retained earnings			-
Total comprehensive income for the year			-
Dividends			
Restated balance as at 31.03.2016	(3,51,890)	-	(3,51,890)
Profit for the period	2,30,576		2,30,576
Addition during the year			
Total comprehensive income for the year			
Dividends			
As at 31.3.2017	(1,21,314)	-	(1,21,314)

11 Current Financial Liabilities - Trade Payable

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Due to parties registered under MSMED Act			
Due to other parties	-	2,00,000	2,00,000
Due to related Parties			
Total	-	2,00,000	2,00,000

12 Current Financial Liabilities - Other Financial liabilities

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Others - Liability for expenses	23,000	15,050	11,400
	23,000	15,050	11,400

13 Other Current Liabilities

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Statutory dues		-	4,723
Total		-	4,723



ISGEC ENGINEERING & PROJECTS LTD.
CIN: U29248HR2007PLC036695

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

14 Revenue from operations

(In Rupees)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Rent Received	8,64,000	3,60,000
Total	8,64,000	3,60,000

15 Other income

(In Rupees)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest on Fixed Deposit with Banks	3,22,833	1,92,057
Other Interest	815	132
Total	3,23,648	1,92,189

16 Depreciation and amortization expense

(In Rupees)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Depreciation of tangible assets	6,50,223	5,12,394
Total	6,50,223	5,12,394

17 Other expense

(In Rupees)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Professional Expenses	13,666	2,000
Auditors Remuneration	23,050	11,450
Filing Fee	2,400	4,200
Bank Charges	-	695
Preliminary expenses	-	4,01,190
Total	39,116	4,19,535



18 Tax expense

Particulars	(In Rupees)	
	Year ended 31.03.2017	Year ended 31.03.2016
Current tax	2,41,676	1,06,792
Previous year tax	2,090	595
Deferred tax	23,967	(99,174)
Total	2,67,733	8,213

18 (a)

Particulars	Period ended 31.03.2017	Year ended 31.03.2016
(a) Income Tax Expense		
<i>Current tax</i>		
Current tax on profits for the year	2,41,676	1,06,792
Previous year tax adjustment	2,090	595
Total Current tax Expense	2,43,766	1,07,387
(b) Deferred Tax		
Current year deferred tax Liabilities / (assets)	23,967	(99,174)
Total Deferred tax expense/(benefit)	23,967	(99,174)
Total	2,67,733	8,213

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

Particulars	Period ended 31.03.2017	Year ended 31.03.2016
Profit from continuing operations before income tax expense	4,98,309	(3,79,740)
Profit from discontinuing operations before income tax expense	-	-
Tax at Indian tax rate of 29.87%(2015-16-30.9%)	1,48,845	(1,17,340)
Tax effects of amounts which are not deductible in calculating taxable income	1,94,222	1,58,330
Tax on standard deduction allowed under income from house property	(77,423)	(33,372)
Previous year tax adjustment	2,090	595
Add: Permanent Difference	-	-
Income tax Expense	2,67,733	8,213



ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

Notes on Financial Statements

19 Related party transactions

In accordance with the Indian Accounting Standard on "Related Party disclosures"(IND As-24) the disclosures in respect of related parties and transactions with them, as identified and certified by the management, are as follows:

i) Description and name of related parties

Description of relationship:

Directors

Mr. Aditya Puri

Holding Company

Isgec Heavy Engineering Limited

Key Management Personnel

None

ii) Details of related party transactions

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
a)	Rent Received - Holding Company Isgec Heavy Engineering Ltd	8,64,000	3,60,000

20 Earning per share:

In accordance with Indian Accounting Standard (IAS-33) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit / (Loss) available to Equity Shareholders	2,67,733	8,213
Number of Weighted Average Equity Shares outstanding during the year for the purpose of calculation of Earning Per Share	40,00,000	38,50,411
Nominal value of Equity Share (In Rs.)	10.00	10.00
Basic & Diluted Earning per Share (In Rs.)	0.067	0.002

21 Disclosure of cash and cash deposits

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

- 22 On the basis of information available with the company as to whether an enterprise is a Micro/Small enterprises under the MSMED Act, 2006 there was no amount remaining unpaid or delayed in payment during the period beyond the agreed credit period. Hence no interest is due or paid to any such enterprise.
- 23 Previous year figures have been regrouped/rearranged wherever required to make them comparable with current period figures.
- 24 There is no other information required to be disclosed apart from the information already disclosed, pursuant to the requirements of Schedule III to the Companies Act, 2013.



ISGEC ENGINEERING & PROJECTS LTD.

CIN: U29248HR2007PLC036695

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

25. FINANCIAL INSTRUMENTS- ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT

Financial instruments by category

Particulars	31st March 2017			31st March 2016			1st April 2015		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset									
Trade receivables	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	46,464.00	-	-	7,93,510.00	-	-	1,87,642.00	-	-
Bank Balances	45,74,602.00	-	-	32,00,000.00	-	-	-	-	-
Others	2,32,650.00	-	-	1,24,584.00	-	-	-	-	-
Total Financial Assets	48,53,716.00	-	-	41,18,094.00	-	-	1,87,642.00	-	-
Total Financial Assets	48,53,716.00	-	-	41,18,094.00	-	-	1,87,642.00	-	-
Financial Liabilities									
Borrowings	-	-	-	-	-	-	-	-	-
Trade payables	-	-	-	2,00,000.00	-	-	2,00,000.00	-	-
Other Financial Liabilities	23,000.00	-	-	15,050.00	-	-	11,400.00	-	-
Total Financial Liabilities	23,000.00	-	-	2,15,050.00	-	-	2,11,400.00	-	-



(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



ISGEC ENGINEERING & PROJECTS LTD.
CIN: U29248HR2007PLC036695
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

26 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As Company doesn't have any borrowings whether short term or long term therefore company is not exposed to any interest rate risk

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operate internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables, therefore, the company is not exposed to any foreign exchange risk.

(c) Price Risk

The company is not exposed to any price risk as Company doesn't have any investments whether in equity or in commodity.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

Since company does not have any trade receivable or financial assets, so the company is not exposed to any credit risk.

III. Liquidity Risk

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

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

As at 31-03-2017	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Trade payables	-	-	-	-	-	-	-
Other Liabilities	23,000	-	11,500	-	-	-	11,500
Total	23,000	-	11,500	-	-	-	11,500
As at 31-03-2016	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Trade payables	2,00,000	2,00,000	-	-	-	-	2,00,000
Other Liabilities	15,050	-	15,050	-	-	-	15,050
Total	2,15,050	2,00,000	15,050	-	-	-	2,15,050
As at 31-03-2015	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Trade payables	2,00,000	2,00,000	-	-	-	-	2,00,000
Other Liabilities	11,400	-	11,400	-	-	-	11,400
Total	2,11,400	2,00,000	11,400	-	-	-	2,11,400



ISGEC ENGINEERING & PROJECTS LTD.
CIN: U29248HR2007PLC036695
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

27 First Time Adoption of Ind AS

These financial statements for the year ended 31st March, 2017, are the first, the company has prepared in accordance with Ind AS. For the periods upto and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP)

Accordingly, the company has prepared its financial statement to comply with the Ind AS for the year ending 31st March, 2017, together with the comparative date as at and for the year ended 31st March, 2016. In preparing these financial statements, the company opening balance sheet was also prepared as at 1st April, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

27A. Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Deemed Cost

Ind AS 101 permits first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.



ISGEC ENGINEERING & PROJECTS LTD.

27.B

Reconciliation of Opening Ind AS balance Sheet as at 1st March 2015

Amount in Rs.

Particulars	As per Indian Gaap	Re-classification	Re-measurement	As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment				-
Investment property				-
Other Intangible assets				-
Capital work in progress	3,56,59,361			3,56,59,361
Biological assets other than bearer plants				-
Financial assets				
Investments				-
Trade receivables				-
Loans(Including security deposits)				-
Bank Balances				-
Others				-
Deferred Tax assets				-
Other non-current assets				-
	3,56,59,361	-	-	3,56,59,361
Current assets				
Inventories				-
Financial assets				
Investments				-
Trade receivables				-
Cash & cash equivalents	1,87,642			1,87,642
Bank Balances				-
Loans	3,993	(3,993.00)		-
Others				-
Current tax assets		3,993.00		3,993
Other current assets	4,01,190			4,01,190
	5,92,825	-	-	5,92,825
Total	3,62,52,186	-	-	3,62,52,186

Particulars	As per Indian Gaap	Re-classification	Re-measurement	As per Ind AS
EQUITY & LIABILITIES				
Equity				
Equity share capital	3,60,00,000			3,60,00,000.00
Reserves and surplus-other equity	36,063.00			36,063.00
	3,60,36,063	-	-	3,60,36,063.00
Non-current liabilities				
Financial liabilities				
Long term borrowings				-
Trade payables				-
Other financial liabilities				-
Provisions				-
Deferred Tax liability				-
Other long term liabilities				-
	-	-	-	-
Current liabilities				
Financial liabilities				
Short term borrowings				-
Trade payables	2,00,000			2,00,000.00
Other financial liabilities		16,123.00		16,123.00
Other current liabilities	16,123	-16,123.00		-
Provisions				-
	2,16,123	-	-	2,16,123.00
Total	3,62,52,186	-	-	3,62,52,186.00



ISGEC ENGINEERING & PROJECTS LTD.

27.C

Reconciliation of Ind AS balance Sheet as at 31st March 2016

Amount in Rs.

Particulars	As per Indian Gaap	Re-classification	Re-measurement	As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3,56,27,477			3,56,27,477
Investment property				-
Other Intangible assets				-
Capital work in progress				-
Biological assets other than bearer plants				-
Financial assets				
Investments				-
Trade receivables				-
Loans(Including security deposits)				-
Bank Balances				-
Others				-
Deferred Tax assets	99,174			99,174
Other non-current assets				-
	3,57,26,651			3,57,26,651.00
Current assets				
Inventories				-
Financial assets				
Investments				-
Trade receivables				-
Cash & cash equivalents	39,93,510	-32,00,000		7,93,510
Bank Balances		32,00,000		32,00,000
Loans	1,25,207	-1,25,207		-
Others		1,24,584		1,24,584
Current tax assets (Net)		18,415		18,415
Other current assets	1,24,584	-1,24,584		-
	42,43,301	-1,06,792		41,36,509
Total	3,99,69,952	-1,06,792		3,98,63,160

Particulars	As per Indian Gaap	Re-classification	Re-measurement	As per Ind AS
EQUITY & LIABILITIES				
Equity				
Equity share capital	4,00,00,000			4,00,00,000.00
Reserves and surplus-other equity	(3,51,890)			(3,51,890)
	3,96,48,110			3,96,48,110.00
Non-current liabilities				
Financial liabilities				
Long term borrowings				-
Trade payables				-
Other financial liabilities				-
Provisions				-
Deferred Tax liability				-
Other long term liabilities				-
				-
Current liabilities				
Financial liabilities				
Short term borrowings				-
Trade payables	2,00,000			2,00,000
Other financial liabilities		15,050		15,050
Other current liabilities	15,050	-15,050		-
Provisions	1,06,792	-1,06,792		-
	3,21,842	-1,06,792		2,15,050
Total	3,99,69,952	-1,06,792		3,98,63,160

