S.R. BATLIBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Isgec Foster Wheeler Boilers Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Isgec Foster Wheeler Boilers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 thereunder. We conducted our audit of the Ind AS financial statements 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. 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 misstatement.

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 Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 purpose 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, 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 Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015 as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and 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 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.

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iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

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

per Naman Agarwal
Partner
Membership Number: 502405
Place of Signature: Noida
Date: May 17, 2017

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 ('the Company')**

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

(b) Fixed assets 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, 2017. 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.

(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, 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, 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, and cess which have not been deposited on account of any dispute. The provisions related to employees' state insurance, sales tax, duty of excise, duty of customs and value added taxes are not applicable to the Company.

(viii) The Company did not have any outstanding loans or borrowing 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 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.

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(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 under review 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

S.R. BATLIBOI & CO. LLP GURGAON

per **Naman Agarwal**
Partner
Membership No: 502405
Place of Signature: Noida
Date: May 17, 2017

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Isgec Foster Wheeler Boilers Private 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 **Isgec Foster Wheeler Boilers Private Limited**

We have audited the internal financial controls over financial reporting of Isgec Foster Wheeler Boilers Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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 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.

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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.

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

S.R. BATLIBOI & CO. LLP
GURGAON

per **Naman Agarwal**
Partner
Membership No: 502405
Place of Signature: Noida
Date: May 17, 2017

Isgec Foster Wheeler Boilers Private Limited
Balance Sheet As At March 31,2017
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at March 31,2017	As at March 31,2016
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3	1,117,241	-
(b) Financial assets			
(i) Loans	4	96,095	-
(c) Deferred tax assets(net)	5	119,282	110,806
(d) Other non current assets	9	51,137	
		1,383,755	**110,806**
Current assets			
(a) Financial assets			
(i) Trade receivables	6	8,141,463	-
(ii) Cash and cash equivalents	7	3,608,116	2,138,930
(iii) Other bank balances	7	11,199,284	18,141,576
(iv) Loans	4	68,124	-
(v) Other financial assets	8	76,792	606,595
(b) Other current assets	9	2,251,404	-
		25,345,184	**20,887,101**
Total Assets		**26,728,938**	**20,997,907**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	20,000,000	20,000,000
(b) Other equity	11	538,070	471,443
Total Equity		**20,538,070**	**20,471,443**
Non - current liabilities			
(a) Long term provisions	12	77,822	-
		77,822	-
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	13	1,811,017	313,500
(b) Other current liabilities	14	4,164,093	30,000
(c) Provisions	12	137,936	-
(d) Current tax liabilities	15	-	182,964
Total Liabilities		**6,113,046**	**526,464**
Total Equity & Liabilities		**26,728,938**	**20,997,907**

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

S.R. BATLIBOI & CO. LLP GURGAON

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Per Naman Agarwal
Partner
Membership No. 502405
Place : Noida
Date : May 17, 2017

Tomas William Harju Jeanty
Director
DIN: 07170489

Aditya Puri
Director
DIN: 00052534

Isgec Foster Wheeler Boilers Private Limited
Statement Of Profit And Loss For The Year Ended March 31,2017
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Income			
Revenue from operations	16	19,070,503	-
Interest income	17	997,510	1,386,857
Total income		**20,068,013**	**1,386,857**
Expenses			
Employee benefits expenses	18	5,074,431	-
Depreciation and amortization expenses	19	415,009	-
Other expenses	20	14,440,727	704,570
Total Expenses		**19,930,167**	**704,570**
Profit before tax		**137,846**	**682,287**
Tax Expense			
(1) Current tax	21	79,694	321,650
(2) Deffered Tax charge/(credit)	21	(8,476)	(110,806)
Income Tax Expense		**71,218**	**210,844**
Profit for the Year		**66,627**	**471,443**
Other comprehensive income		-	-
Total Profit for the year		**66,627**	**471,443**
Earnings per equity share			
Basic and Diluted	22	0.03	0.31
[nominal value of share Rs. 10 each (March 31, 2016 :Rs.10)]			

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

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

S.R. BATLIBOI & CO. LLP GURGAON

Per Naman Agarwal
Partner
Membership No. 502405
Place : Noida
Date : May 17, 2017

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Tomas William Harju Jeanty
Director
DIN: 07170489

Aditya Puri
Director
DIN: 00052534

Isgec Foster Wheeler Boilers Private Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian Rupees, unless otherwise stated)

A) Equity Share Capital

Particulars	Nos.	Amount in Rs
As at February 17,2015	-	-
Add: Equity shares issued during the period	2,000,000	20,000,000
As at March 31, 2016	**2,000,000**	**20,000,000**
Add: Equity shares issued	-	-
As at March 31, 2017	**2,000,000**	**20,000,000**

B) Other Equity

Particulars	Reserves and surplus
	Retained Earnings
As at February 17,2015	-
Profit for the period	471,443
As At March 31, 2016	**471,443**
Profit for the year	66,627
Other comprehensive income for the year	-
As At March 31, 2017	**538,070**

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

S.R. BATLIBOI & CO. LLP GURGAON

Per Naman Agarwal
Partner
Membership No. 502405
Place : Noida
Date : May 17, 2017

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Tomas William Harju Jeanty
Director
DIN: 07170489

Aditya Puri
Director
DIN: 00052534

Isgec Foster Wheeler Boilers Private Limited
Statement of changes in cash flow for the year ended as at March 31, 2017
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the period April 1 , 2016 to 31 March, 2017	For the period February 17,2015 - March 31, 2016
Cash flows from operating activities:		
Profit before tax	137,846	682,287
Adjustment to reconcile profit before tax to net cash flows		
Foreign exchange Loss	166,519	
Depreciation	415,009	-
Interest income	(997,510)	(1,386,857)
Operating (loss) before working capital changes	**(278,136)**	**(704,570)**
Movements in working capital :		
Increase in other current assets	(2,276,404)	-
Increase in Trade Receivables	(8,307,982)	-
Increase on account of O/s Gratuity and Leave encashment	215,758	-
Increase in Trade Payable	1,497,517	313,500
Increase in Other Current Liabilities	4,134,093	30,000
Cash used in Operations	**(5,015,155)**	**(361,070)**
Direct Taxes Paid	(288,794)	(138,686)
Net cash (used in) operating activities (A)	**(5,303,949)**	**(499,756)**
Cash flows from investing activities:		
Purchase of Property, Plant & Equipment	(1,532,250)	-
Fixed deposits made	(11,199,284)	(18,141,576)
Proceeds from maturity of fixed deposits	18,141,576	-
Interest income received	1,527,313	780,262
Net cash flow from investing activities (B)	**6,937,355**	**(17,361,314)**
Cash flow from financing activities:		
Cash outflow towards Granting of Loan	(164,219)	-
Proceeds from share capital	-	20,000,000
Net Cash from financing activities (C)	**(164,219)**	**20,000,000**
Net increase in cash and cash equivalents (A+B+C)	**1,469,187**	**2,138,930**
Cash and Cash equivalents at the start of the period	**2,138,930**	-
Cash and Cash equivalents at the end of the period	**3,608,116**	**2,138,930**
Cash and cash equivalents comprise of (refer note 7)		
Cash In Hand	11,555	-
Balance with Banks	3,596,561	2,138,930
	3,608,116	**2,138,930**

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

S.R. BATLIBOI & CO. LLP GURGAON

Per Naman Agarwal
Partner
Membership No. 502405
Place : Noida
Date : May 17, 2017

Bhupinder Kumar Malik
Senior Vice President-Accounts

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

Tomas William Harju Jeanty
Director
DIN: 07170489

Aditya Puri
Director
DIN: 00052534

ISGEC FOSTER WHEELER BOILERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

1. Corporate Information

The financial statements comprise financial statements of Isgec Foster Wheeler Boilers Private Limited (the Company) for the year ended 31 March 2017. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India Company was incorporated on 17 February, 2015 and is a Joint Venture between Isgec Heavy Engineering Limited, India and Amec Foster Wheeler North America Corporation, USA.

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

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.

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) (Amendment) Rules, 2016. For all periods up to and including the year ended 31st March 2016, the Company 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 adoptions was carried out in accordance with IND AS 101 First time adoption of Indian Accounting Standards. In consonance with the nature of the Company's operations, no differences were found in previous period numbers prepared as per earlier GAAP and numbers prepared as per IND AS, hence no reconciliation statement is provided in the accompanying financial statements.

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 goods and services.

2.2 Summary of Significant Accounting Policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet 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

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- 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 Company classifies all other liabilities as non-current.

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

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

b. Foreign currencies

i. Initial recognition

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

ii. *Conversion*

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

iii. *Exchange differences:*

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

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

c.Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the company

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

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

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

S.R. BATLIBOI & CO. LLP * GURGAON *

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 will 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 will 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. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Rendering of services:

Revenues from service contracts are recognized as and when services are rendered on the basis of agreed man hour rates as per contracts agreed with the customers. Since, the services rendered are to overseas customers, no local taxes are levied on the same

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

e. Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income 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, except:

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- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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.

f. **Property, plant and equipment**

Plant, property 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 are 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 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 profit or loss as incurred.

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

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

g. Provisions, Contingent Liability & Contingent Asset

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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 of 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.

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

h. Retirement and other employee benefits;

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

The Company operates one defined benefit plans 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 12 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 taken to other comprehensive income. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

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i. 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 profit or loss. The losses arising from impairment are recognised in the profit or 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.

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.

***j.* 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.

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k. 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).

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Isgec Foster Wheeler Boilers Private Limited
Notes To Financial Statements For The Year Ended 31 March 2017
(All Amounts are In Indian Rupees, Unless otherwise stated)

3. Property, Plant & Equipment

Particulars	Computers
Cost or Valuation	
As at April 1,2016	-
Additions	1,532,250
Disposals	-
As at March 31,2017	1,532,250
Accumulated depreciation and amortisation	
As at March 31,2016	-
Depreciation charge for the year	415,009
As at March 31,2017	415,009
Net book value	
At March 31, 2016	-
At March 31, 2017	1,117,241

4. Loans

Particulars	Non - current		Current	
	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Secured				
Loans and advances to employees	45,150	-	8,400	-
Unsecured considered goods (unless otherwise stated)				
Loans and advances to employees	50,945	-	59,724	-
Total	96,095	-	68,124	-

5. Deferred Tax Assets / Liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31,2017	As at March 31,2016
Deferred Tax Liabilities		
Property, Plant and Equipment	(13,342)	-
Deferred Tax Assets		
Expenditure debited to Profit & Loss but allowed for tax purposes in subsequent years	68,176	110,806
Provision for Leave Encashment	41,201	-
Provision for Gratuity	23,245	-
Total Deferred tax Assets/(Liabilities)	119,282	110,806

Accounting profit before income tax	137,846	682,287
At statutory tax rate of 29.87% (Previous year 30.9%)	41,174	210,827
Effect of tax rate change on opening deferred tax balance	3,694	-
Disallowable expenditures under tax	26,350	17
At the effecive income tax rate of 51.66% (previous year: 30.9%)	71,218	210,844

6. Trade Receivables

Particulars	As at March 31,2017	As at March 31,2016
Secured, considered good		
Unsecured, considered good	8,141,463	-
Total	8,141,463	-

There are no trade receivables outstanding for a period exceeding six months from the date they were due for payment

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.
Trade receivables are non-interest bearing and are generally on terms of 30 days though there may be some delay beyond the contractual credit period.

7. Cash and Bank Balances

Particulars	Current	
	As at March 31,2017	As at March 31,2016
Cash and cash equivalents		
Balances with banks		
- On Current accounts	3,596,561	2,138,930
Cash on Hand	11,555	-
	3,608,116	2,138,930
Other bank balances		
- Deposits with original maturity of more than 3 months but less than 12 months	11,199,284	18,141,576
Total	14,807,400	20,280,506

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Note : Transaction In Specified Bank Notes ("SBNs") between November 08, 2016 to December,31 2016

Disclosures with respect to company for specified bank notes and other denomination notes transacted during the period November 08,2016 to December 31,2016 are not applicable to the Company as it has not held or made any transactions in cash in Indian Rupees uptill December 31,2016

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8. Other Financial Assets

Particulars	Current	
	As at March 31,2017	As at March 31,2016
Interest accrued but not due on deposits	76,792	606,595
Total	**76,792**	**606,595**

9. Other Current Assets

Particulars	Current		Non Current	
	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Service tax recoverable	1,941,575	-	-	-
Prepaid expenses	309,829	-	-	-
Others (Security Deposits)	-	-	25,000	-
Advance income-tax (net of provision)	-	-	26,137	-
Total Other Current Assets	**2,251,404**	-	**51,137**	-

10. Share capital

Particulars	As at March 31,2017	As at March 31,2016
Authorised Capital :		
2,000,000 (PY : 2,000,000) Equity shares of Rs.10 each with voting rights	20,000,000	20,000,000
Issued, Subscribed & Fully paid-up Capital		
As at April 01,2015	-	-
Issued During the year	20,000,000	20,000,000
As At March 31,2016	**20,000,000**	**20,000,000**
Issued During the year	-	-
As At March 31,2017	**20,000,000**	**20,000,000**

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

Particulars	As at March 31,2017		As at March 31,2016	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Equity shares outstanding at the beginning of the Year	2,000,000	20,000,000	-	-
Add : Issue during the Year	-	-	2,000,000	20,000,000
Equity shares outstanding at the end of the Year	**2,000,000**	**20,000,000**	**2,000,000**	**20,000,000**

iii) Shares held by holding company or ultimate holding company and

Class of Shares / Names of Shareholder:	As at March 31,2017		As at March 31,2016	
	No. of shares	% holding	No. of shares	% holding
Equity Shares with voting rights - Isgec Heavy Engineering Limited and its nominees	**1,020,000**	**51%**	**1,020,000**	**51%**
- Amec Foster Wheeler North America Corporation, USA	**980,000**	**49%**	**980,000**	**49%**

11. Other equity

Particulars	Retained Earning
February 17,2015	-
Profit for the period	471,443
As at March 31, 2016	**471,443**
Profit for the period	66,627
As At March 31,2017	**538,070**

* This comprise the Company's undistributed profits after taxes

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12. Provisions

Particulars	Non - current		Current	
	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Provision for Employee Benefits				
Gratuity	77,822	-	-	-
Compensated Absences	-	-	137,936	-
Total	**77,822**	-	**137,936**	-

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 1,47,037 (Previous Year Nil) and on account of Family Pension Scheme is Rs. 67,111 (Previous Year Rs. Nil). The contributions are charged to statement of profit & loss.

(b) Defined Benefit Plan

The liability for employee gratuity (unfunded) is determined on actuarial valuation using projected unit credit method. Since the Company did not have any employees at the start of the curent financial year, opening liability was Nil.

Particulars	Gratuity 2016-17
1.Change in Present Value of Obligation	
Present value of obligation at the beginning of the period	-
Current service cost	77,822
Benefits paid	-
Actuarial (gain)/loss on obligation	-
Present value of obligation at end of period	77,822
2.Amount to be recognised in Balance Sheet	
Present value of obligation as at end of the period	77,822
Fair value of plan assets as at the end of the period	-
Net Asset/(liability) recognised in Balance Sheet	(77,822)
3.Expenses recognised in the statement of profit & loss.	
Current service cost	77,822
Expenses recognised in the statement of Profit & Loss	77,822
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	-
c. Actuarial gain /(loss) for the year on Asset	-
d. Unrecognized actuarial gain/(loss) at the end of the year	-
5. Maturity Profile of Defined Benefit Obligation	
1. Within the next 12 months (next annual reporting period)	-
2. Between 2 and 5 years	1,194
3. Between 6 and 10 years	76,628
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 period	77,822
a. Impact due to increase of 0.50 %	(6,666)
b. Impact due to decrease of 0.50 %	7,438
Impact of the change in salary increase	
Present Value of Obligation at the end of the period	77,822
a. Impact due to increase of 0.50 %	7,403
b. Impact due to decrease of 0.50 %	(6,694)

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

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

(ii) Sensitivity Analysis Method

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

7. Major categories of plan assets (as percentage of total plan assets)	
Insurer Managed Funds	0%
8. Actuarial assumptions	
a) Economic Assumptions	
i. Discounting Rate in %	7.5
ii. Salary escalation in %	7.5
b) Demographic Assumption	
i) Retirement Age (Years)	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)
iii) Ages	Withdrawal Rate (%)
Up to 30 Years	5
From 31 to 44 years	3
Above 44 years	2
Mortality Rates for specimen ages	

Age	Mortality Rate	Age	Mortality Rate	Age	Mortality Rate
15	0.000614	45	0.002874	75	0.039637
20	0.000888	50	0.004946	80	0.060558
25	0.000984	55	0.007888	85	0.091982
30	0.001056	60	0.011534	90	0.138895
35	0.001282	65	0.017009	95	0.208585
40	0.001803	70	0.025855	100	0.311628

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13. Trade payables

Particulars	Current	
	As at March 31,2017	As at March 31,2016
Trade payables		
Dues to micro, small and medium enterprises	-	-
Payables Other than MSME	1,811,017	313,500
Total	**1,811,017**	**313,500**

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

14. Other Liabilities

Particulars	Current	
	As at March 31,2017	As at March 31,2016
Advancs from Customers	3,607,224	-
Statutory dues payable	556,869	30,000
Total	**4,164,093**	**30,000**

15. Current Tax Liabilities

Particulars	As at March 31,2017	As at March 31,2016
Provisions for Income- Tax	-	321,650
Less: Prepaid income - taxes		(138,686)
Total	-	**182,964**

16. Revenue From Operations

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Sale of Service	19,070,503	-
Total	**19,070,503**	-

17. Interest Income

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Interest Income On bank deposits	997,510	1,386,857
Total	**997,510**	**1,386,857**

18. Employee Benefits Expenses

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Salaries and Wages	4,629,586	-
Gratuity	77,822	-
Contribution to PF Fund	234,347	-
Staff Welfare	107,128	-
Others	25,548	-
Total	**5,074,431**	-

19. Depreciation and Amortization Expense

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Depreciation on Tangible Assets	414,093	-
Amortization of Intangible assets (Software)	916	-
Total	**415,009**	-

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20. Other Expense

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Rates and Taxes	11,250	285,280
Technical Design Expenses	7,912,321	-
Business Support Service	4,058,036	-
Office Maintenance	7,000	-
Repair & Maintenance (Computers)	585,799	-
Legal and Professional Charges	67,390	75,000
Auditors remuneration- Audit fee	262,153	343,500
Printing & Stationery	1,090	790
Leased Line Expenses	460,067	-
Bank Charges	35,652	-
Travel Expenses	340,063	-
Foreign Exchange Fluctuation	396,316	-
Mobile Expenses	13,162	-
Conveyance	268,921	-
News paper & Periodicals	10,134	-
Interest on late deposit of IncomeTax	11,374	-
TOTAL	**14,440,727**	**704,570**

Disclosure	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Payment to Auditors		
As auditor:		
Audit fee	259,513	343,500
In other capacity:		
Reimbursement of expenses	2,640	-

21. Tax Expense

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Current tax	79,694	321,650
Deffered tax	(8,476)	(110,806)
Total	**71,218**	**210,844**

22. Earnings per share

Particulars	For the year ended March 31, 2017	For the period February 17,2015 - March 31, 2016
Basic / Diluted Earnings per share		
Numerator for earnings per share		
Profit after taxation (in Rs.)	66,627	471,443
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	2,000,000	1,520,783
Earnings per share-Basic (one equity share of Re. 10 /- each) (In Rs.)	0.03	0.31

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent 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 parent 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.

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23. Related party transactions

(A) List of related parties

Name	Type	Ownership Interest	
		As at March 31,2017	As at March 31,2016
Isgec Heavy Engineering Limited	Holding Company	51%	51%
Amec Foster Wheeler America Corporation USA	Major Shareholder	49%	49%

(B) Transactions between related parties

Name of related party	Nature of the relationship	Accounts affected	Value of transactions	Purpose of transactions	Dominant influence	Normal course of business	Arm's length	Amount receivable as at March 31,2017	Amount receivable as at March 31,2016
Isgec Heavy Engineering Ltd.	Holding Company	Service charges*	13,697,423	Services rendered	Holding Compnay	Yes	Yes	-	-
Amec Foster Wheeler Energy Management (Shanghai) Company Limited, P.R. China	Sister Concern of major shareholder	Sale of services	8,019,867	Sale of services	Major shareholder	Yes	Yes	3,167,754	-
Amec Foster Wheeler Energia Oy, Finland	Sister Concern of major shareholder	Sale of services	11,050,636	Sale of services	Major shareholder	Yes	Yes	4,973,709	-

Note * Inclusive of Service Tax

(c) Terms and Conditions

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances at the year end are un-secured and settlement occurs in cash.

24. 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 two customers (refer note 23 above)

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25 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 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Financial assets at amortized cost				
Cash and bank balances	14,807,400	20,280,506	14,807,400	20,280,506
Interest accrued	76,792	606,595	76,792	606,595
Loans	164,219	-	164,219	-
Trade Receivables	8,141,463	-	8,141,463	-
	23,189,875	**20,887,101**	**23,189,875**	20,887,101
Financial Liabilities at amortized cost				
Trade Payables	1,811,017	313,500	1,811,017	313,500
	1,811,017	**313,500**	**1,811,017**	313,500

The Carrying amounts of trade receivables, trade payables, capital creditirs, cash and bank balances are considered to be the same as their fair values, due to their short term natue.

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26. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise , trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents 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 policies and Company 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 and borrowings, deposits, investments , and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2017. 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, 2017.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument 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 (when revenue or expense is denominated in foreign currency and the company's net investment in foreign subsidiaries). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Comapany '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	March 31,2017		March 31,2016		Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	1% increase	1% decrease
USD	Export Trade Receivables	$ 48,856	3,167,754	$ -	-	31,678	(31,678)
EURO	Export Trade Receivables	$ 71,825	4,973,709	€ -	-	49,737	(49,737)

(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 from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(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 any shipments to major customers are generally covered by Trade Receivable buyout facility, letters of credit and other forms of security. As at March 31, 2017, the Company had .nil.% (March 31,2016: nil%)of its trade receivable discounted from banks under Trade Receivable buyout facility. Out of the remaining debtors, the Company has customers that owed the Company and accounted for 100.% (March 31,2016 : nil) of remaining trade receivables.

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

(ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions 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 2016 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.

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Particular	As at March 31,2017	As at March 31,2016
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and Bank balance	3,608,116	2,138,930
Bank deposits	11,199,284	18,141,576
Long term Loan & advance	96,095	-
Short term Loan & advance	68,124	-
Others Current financial assets	76,792	606,595
	15,048,411	**20,887,101**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables (Gross of provision)	8,141,463	-
	8,141,463	-

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

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

Particular	As at March 31,2017	As at March 31,2016
Neither past due nor impaired	8,141,463	-
0 to 180 days due past due date	8,141,463	-
More than 180 days past due date	-	-
Total Trade Receivables (gross of provision)	**8,141,463**	-

(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 and cash credit facility. 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 debt and concluded it to be low.

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, 2017	**Less than 1 year**	**1 to 5 years**	**Total**
Trade payables	1,811,017	-	1,811,017
As at March 31, 2016	**Less than 1 year**	**1 to 5 years**	**Total**
Trade payables	313,500	-	313,500

27 Derivative instruments and unhedged foreign currency exposure

The outstanding foreign currency exposures are as follow:

Particular	Amount in INR		Currency	Amount in Foreign Currency	
	As at March 31,2017	As at March 31,2016		As at March 31,2017	As at March 31,2016
Trade Receivable	3,167,754	-	USD	48,856	-
	4,973,709	-	EURO	71,825	-
Advance from Customer	1,272,500	-	USD	19,098	-
	2,334,724	-	EURO	32,444	-

The Company does not have any outstanding derivative contracts (previous year: Nil)

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28 . Disclosures As Required By Indian Accounting Standard (Ind As 101) First Time Adoption Of Indian Accounting Standards

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31,2017 and the comparative information presented in these financial statements for the period ended March 31, 2016. Since the Company was incorporated on 17 February 2015, the financial statements as at March 31, 2016 and for the period ended March 31, 2016 were the first financial statements of the Company and hence opening baalnces as at Feb 17, 2015 were Nil. In preparing its comparative period financial statements as at March 31, 2016 and for the period from Feb 17, 2015 to March 31, 2016 under Ind-AS, the Company was not required to make any adjustment to the amounts recorded in accordance with accounting standards notified under Companies(Accounting Standards) Rules , 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP) as there were no differences in the recognition and measurement principles between the Ind-AS and previous GAAP, in so far as it related to the affairs of the Company. Thus no explanation in regards to how the transition from previous GAAP to Ind AS has affected the Company's financial position , financial performance and cash flows is required to be disclosed.

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

S.R. BATLIBOI & CO. LLP GURGAON

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

Per Naman Agarwal
Partner
Membership No. 502405
Place : Noida
Date : May 17, 2017

Tomas William Harju Jeanty
Director
DIN: 07170489

Aditya Puri
Director
DIN: 00052534