K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

R-79, GREATER KAILASH-I,
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ISGEC REDECAM ENVIRO SOLUTIONS PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Isgec Redecam Enviro Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2017,the Statement of cash flows and the Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as 'standalone Ind AS financial statements)

Management's Responsibility for the Standalone 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 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 Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

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 standalone 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 standalone 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 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including the Ind AS of the financial position of the company as at March 31, 2017,and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date

K.C. MALHOTRA & CO.
CA
New Delhi
CHARTERED ACCOUNTANTS

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 Annexure 'A' 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, the statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.

(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 B" and

(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 has been no delay in transferring amounts, as required to be transferred to the Investor Education and protection Fund by the Company.

iv The Company did not have any holdings or dealings in specified Bank Notes during the period from 8th.November,2016 to 30th.december,2016-Refer Note 4(d) to the standalone Ind As financial statements.

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

K. C. MALHOTRA & CO. ★ New Delhi CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Membership No.013624
Place: New Delhi
Date:23rd.May,.2017

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

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Annexure 'A' to Auditors'Report

The annexure referred to in Independent Auditor's Report of even date to the members of Isgec Redecam Enviro Solutions Private Limited on the standalone financial Statements as of and for the period ended 31st.March,2017

I The Company does not have any tangible assets as at March 31, 2017 and, accordingly, the requirements under paragraph 4(i) of the Order are not applicable to the Company and hence not been commented upon.

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 The Company has not accepted any deposits from the public.

vi Maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013

vii a)According to the information and explanations given to us, there are no undisputed statutory dues payable including income-tax, and other material statutory dues applicable to it to the appropriate authorities.. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, value added tax, cess and duty of excise are not applicable to the company.

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

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 year.

K.C. MALHOTRA & CO. CHARTERED ACCOUNTANTS New Delhi 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. 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 to the Company and hence not commented upon.

xivAccording 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.

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

K.C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
Membership No:013624
Place:New Delhi
Date:23rd.May,2017

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

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Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Isgec Redecam Enviro Solutions Private limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS 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 Ind AS 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

K. C. MALHOTRA & CO. ★ New Delhi ★ CHARTERED ACCOUNTANTS 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.

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

K.C. MALHOTRA & CO. CHARTERED ACCOUNTANTS New Delhi

(Ramesh Malhotra)
Partner
Membership No: 013624
Place :New Delhi
Date:23rd.May,2017

Isgec Redecam Enviro Solutions Private Limited
CIN: U29308HR2017PTC067285

Balance Sheet as at 31.03.2017

(In INR)

	Particulars	Note	As at 31.03.2017
	ASSETS		
(1)	**Non - current assets**		
	(a) Property, plant and equipment		
	(b) Financial assets		
	(i) Investments		
	(ii) Trade receivables		
	(iii) Loans		
	(iv) Others	4 (a)	25,000
	(c) Deferred tax assets (net)	4 (b)	5,686
	(d) Other non - current assets	4 (c)	3,63,334
	Sub Total (a)		3,94,020
(2)	**Current assets**		
	(a) Inventories		
	(b) Financial assets		
	(i) Investments		
	(ii) Trade receivables		
	(iii) Cash and cash equivalents	4(d)	1,96,17,705
	(iv) Loans		
	(v) Others	4 (a)	34,616
	(c) Current tax assets (net)		
	(d) Other current assets	4 (e)	3,848
	Sub Total (b)		1,96,56,169
	Total assets (a+b)		**2,00,50,189**
	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity share capital	5(a)	2,00,00,000
	(b) Other equity		
	Reserves and surplus	5(b)	(13,350)
	Sub Total (a)		1,99,86,650
	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	6	63,539
	(iii) Other financial liabilities		
	(b) Other current liabilities		
	(c) Provisions		
	(d) Current tax liabilities (net)		
	Sub Total (c)		63,539
	Total Equity and Liabilities (a+b+c)		**2,00,50,189**

The above balance sheet should be read in conjunction with the accompanying notes

In terms of our report of even date
For K. C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. - 000057N)

K. C. MALHOTRA & CO. ★ CA New Delhi ★ CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
Membership No. 013624
Place: New Delhi
Date: 23.05.2017

For and on behalf of Board of directors

Suman Kumar Jain
Director
DIN: 07045002

Niccolo Griffini
Director
DIN: 06433739

Isgec Redecam Enviro Solutions Private Limited
CIN: U29308HR2017PTC067285

Statement of profit and loss for the period from 01.02.2017 to 31.03.2017

(In INR)

	Particulars	Note	For the period 1st February 2017 to 31 March, 2017
I	Revenue from operations		-
II	Other Income	7	38,464
III	**Total income (I + II)**		**38,464**
IV	Expenses		
	Other expenses	8	57,500
	Total expenses		**57,500**
V	Profit / (loss) before exceptional items and tax (I - IV)		(19,036)
VI	Exceptional items		-
VII	**Profit / (loss) before tax (V - VI)**		**(19,036)**
VIII	Tax expense		-
	(a) Current Tax		-
	(b) Deferred Tax	4 (b)	(5,686)
			(13,350)
IX	**Profit / (loss) for the period (VII - VIII)**		**(13,350)**
X	Other comprehensive income		
	A (i) Items that will not be reclassified to profit or loss		-
	(ii) Income tax relating to items that will not be reclassfied to profit or loss		-
	B (i) Items that will be reclassified to profit or loss		-
	(ii) Income tax relating to items that will be reclassfied to profit or loss		-
XI	**Total comprehensive income/(deficit) for the period (IX + X)**		**(13,350)**
XII	Earnings per equity share		
	Basic & Diluted	9	(0.007)

The above statement of profit and loss should be read in conjunction with the accompanying notes

In terms of our report of even date
For K. C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. - 000057N)

K.C. MALHOTRA & CO. CHARTERED ACCOUNTANTS New Delhi

(Ramesh Malhotra)
Partner
Membership No. - 013624
Place: New Delhi
Date: 23.05.2017

For and on behalf of Board of directors

Suman Kumar Jain
Director
DIN: 07045002

Niccolo Griffini
Director
DIN: 06433739

Isgec Redecam Enviro Solutions Private Limited
CIN: U72200DL2005PTC133918

Cash flow statement for the period from 01.02.2017 to 31.03.2017

(IN INR)

Particulars	Note	For the period 1st February 2017 to 31 March, 2017
Profit before tax from continuing operation		(19,036)
Working capital adjustments :		
Increase in other Non -current financial assets	4(a)	(25,000)
Increase in other non-current assets	4 (c)	(3,63,334)
Increase in other current financial assets	4 (a)	(34,616)
Increase in other current assets	4 (e)	(3,848)
Increase in trade payables	6	63,539
Net cash flow from operating activities		**(3,82,295)**
Investing activities		
Net cash flow used in investing activities		-
Financing activities		
Proceeds of equity shares capital	5(a)	2,00,00,000
Net cash flow from / (used in) from financing activities		**2,00,00,000**
Net increase in cash and cash equivalents		**1,96,17,705**
Cash and cash equivalents as at 1.4.2016		-
Cash and cash equivalents as at 31.3.2017	4(d)	**1,96,17,705**

The above statement of cash flows should be read in conjunction of the accompanying notes

In terms of our report of even date
For K. C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. - 000057N)

K.C. MALHOTRA & CO. CA New Delhi CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
Membership No. - 013624
Place: New Delhi
Date: 23.05.2017

For and on behalf of Board of directors

Suman Kumar Jain
Director
DIN: 07045002

Niccolò Griffini
Director
DIN: 06433739

Isgec Redecam Enviro Solutions Private Limited
Notes to financial statements for the period ended 31.03.2017

Statement of changes in equity

A : Equity share capital

(IN INR)

	Note	
As at 1.4.2015		-
Changes in equity share capital		-
As at 31.3.2016		-
Changes in equity share capital	5 (a)	2,00,00,000
As at 31.3.2017		2,00,00,000

B: Other equity

(In INR)

		Reserves and Surplus			Items of other comprehensive income		
As at 31.3.2017	Note	Securities premium account	General reserve	Retained earnings	Revaluation Surplus	Other items of other comprehensive income (specify nature)	Total
As at 01.04.2016				-			-
Profit/(loss) for the period				(13,350)			(13,350)
Addition during the period							
Other comprehensive income/(deficit) for the period							
Total comprehensive income/(deficit) for the period				(13,350)		-	(13,350)
As at 31.3.2017				(13,350)			(13,350)

The above statement of changes in equity should be read in conjunction with the accompanying notes

In terms of our report of even date
For K. C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. - 000057N)

K. C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

(Ramesh Malhotra)
Partner
Membership No. - 013624
Place: New Delhi
Date: 23.05.2017

For and on behalf of Board of directors

Suman Kumar Jain
Director
DIN: 07045002

Niccolò Griffini
Director
DIN: 06433739

Isgec Redecam Enviro Solutions Private Limited

Note 1 : Overview

The company was incorporated on 1st. February, 2017 under the provisions of the Companies Act, 2013. The registered office of the company is located at Radaur Road, Yamunanagar-135001, Haryana. In accordance with joint venture agreement entered into between Isgec Heavy Engineering Limited and Isgec Redecam Enviro Solutions Private limited, Italy on 8th day of November,2016, the company will principally undertake the activity of fabrication, design, manufacture, sale, purchase, export, import, supply, sourcing, testing and commissioning and undertake research and development and/or otherwise deal in all types of environment solutions machines and equipments including bag filters and hybrid filters for all industries .

Note 2: Significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies not specifically referred to otherwise are consistent.

(a) Basis of preparation

(i) Compliance with IND AS

The financial statements comply with in all materials aspects with Indian Accounting standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

These financial statements which comply with IND AS applicable for the period ended 31st.March, 2017 are the first financial statements of the company. This is the first accounting year of the company since its date of incorporation i.e.1st.February,2017 and hence the comparative information for the year ended 31.3.2016 and as at 1.4.2015 do not exist.

(ii) Historical cost convention

The financial statements have been prepared on historical cost basis

(b) Current versus Non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is classified as current when it is :

- expected to be realised in normal operating cycle,
- Held primarily for the purpose of the trading,
- Expected to be realised within twelve months after the reporting period, or

K. C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

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

All other assets are classified as non-current.

A liability is classified as current when:
*it is expected to be settled in normal operating cycle,
*it is held primarily for the purpose of the trading,
*it is due to be settled within twelve months after the reporting period, or
*there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

(c) Cash and cash equivalents

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

(d) Provisions

General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits has become probable.

A contingent asset is not recognized but disclosed when an inflow of economic benefits is probable ..A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity.

(e) Income tax

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

K.C. MALHOTRA & CO. New Delhi CHARTERED ACCOUNTANTS

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

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

Current and deferred tax is recognized in profit and loss, except to the extent that it relates to items recognized in comprehensive income or directly in equity .In this case, tax is also recognized in other comprehensive income or directly in equity, respectively.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the future 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.

Interest income is recognized using the bank deposit rates which is considered to be effective rate of interest. The effective rate of interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (For example prepayments, extension, call and similar options) but does not consider the expected credit losses.

(g) Earning per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares plus the weighted average number of equity shares that would be issued on conversation of all the dilutive shares into equity shares.

There are no transactions involving equity shares or potential equity shares between the reporting date and the financial statements.

K. C. MALHOTRA & CO.
New Delhi
CHARTERED ACCOUNTANTS

(h) 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 equity.

(i) Measurement

At initial recognition, financial assets are recognized 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. Transaction costs of financial assets carried at fair value through Profit or Loss are expensed in profit and loss. After initial recognition, financial assets are classified and measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit and loss (FVTPL) on the basis of:

a) the entity's business model for managing the financial assets and
b) the contractual cash flow characteristics of the financial asset.

-**Amortised cost :**Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

-**Fair value through other comprehensive income(FVOCI) :** Assets that are held for collection of cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI)

-Fair value through profit and loss : Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss (FVTPL).

All financial liabilities subsequently measured are at amortised cost, except for:
-financial liabilities at fair value through profit or loss
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Continuing involvement approach applies
-Financial guarantee contracts

Gain or loss on a financial asset or financial liability that is measured at fair value shall be recognised in profit or loss unless it is a part of hedging relationship or it is an investment in equity instrument for which option to Present gains and losses in other comprehensive income have been opted or it is a financial asset measured at fair value through other comprehensive income.

(ii) Impairment of financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss

K.C. MALHOTRA & CO. ★ CA New Delhi ★ CHARTERED ACCOUNTANTS allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

The company determines that there is no significant increase in credit risk since initial recognition i.e from 1st february,2017, therefore 12 month ECL is used to provide for impairment loss.

The company does not have any purchased or originated credit –impaired (POCI) financial asset, i.e. financial assets which are credit impaired on purchase/origination.

(iii) Derecognition of financial assets

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset ,but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(iv) Offsetting financial instruments

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

(i) Trade payables

The amount represents liabilities for services provided to the company prior to the end of the period which are unpaid .The amounts are unsecured non-interest bearings and are usually paid within 60 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized at amortised cost, and the carrying amounts are reasonable approximation of fair value.

(j) Standards issued but not yet effective upto the date of issuance of the company's financial

The new standards ,interpretations and amendments to standards that are issued, but not yet effective , upto the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards ,if applicable, when they become effective.

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New Delhi
CHARTERED ACCOUNTANTS

Isgec Redecam Enviro Solutions Private Limited

IND As 115 Revenue from contracts with customers

In February, 2015 IND AS 115-Revenue from contracts with customers was issued. The standard establishes a new five-step model that will apply to revenue arising from from contracts with customers. Under IND AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is applicable to all entities and wll supersede all current recognition requirements under IND AS. The effective date is from accounting period beginning on or after 1st.April,2018.The company is currently evaluating the requirements of IND AS 115,and has not yet determined the impact on the financial statements.

Amendment to IND AS 7

In March,2017,the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules,2017 notifying amendment to IND AS 7,"Statement of cash flows" This amendment is in accordance with the recent amendment made by International Accounting Standards Board (ASB) to IAS 7.The amendments is applicable to the company from 1st.April,2017. The amendment to IND AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.
The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Note 3 : Accounting estimates, assumptions and judgments
The preparation of financial statements requires the use of accounting estimates, which by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the company's accounting policies, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, if any. Uncertainty about these assumptions and estimates could result in outcomes of assets and liabilities affected in future periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

There are no sources of estimation uncertainty that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in future periods ,and also there are no significant judgments that may require disclosures.

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Isgec Redecam Enviro Solutions Private Limited
Notes on financial statements for the period ended 31.03.2017

Note 4 (a) : Other financial assets

(IN INR)

	As at 31.03.2017	
Particulars	Non-current	Current
Security deposit *	25,000	-
Interest accrued but not due	-	34,616
Total other financial assets	**25,000**	**34,616**

* In favour of the Assistant Commissioner Commercial Tax,Noida

Note 4 (b) : Deferred tax assets / liabilities (net)

(IN INR)

Particulars		As at 31.03.2017
Deferred tax asset		5,686
Net deferred tax assets / liabilities		**5,686**

Note 4 (c) : Other assets

(IN INR)

	As at 31.03.2017	
Particulars	Non-current	Current
Unamortized preliminary expenses	3,63,334	
Total other assets	**3,63,334**	-

Note 4 (d) : Cash and cash equivalents

(In INR)

	As at 31.03.2017	
Particulars	Non- Current	Current
Balances with banks		
-in current account		16,17,705
Bank fixed deposit with maturity of less than three months *		1,80,00,000
Total cash and cash equivalents	-	**1,96,17,705**

* Cash at bank earns interest at bank deposit rates
Details of specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:-

Particulars	SBNS	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016 (+) Permitted receipt (-) Permitted payments (-) Amount deposited in banks Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

Note 4 (e) : Current tax assets / liabilities (net)

(IN INR)

Particulars		As at 31.03.2017
Prepaid income - taxes		3,848
Less: Provisions for income- tax		-
		3,848
Net current tax assets		**3,848**

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Isgec Redecam Enviro Solutions Private Limited
Notes to financial statements for the period ended 31.03.2017

Note 5 (a) : Equity share capital

(In INR)

Authorised equity share capital with voting rights		Number of shares	Amount
As at 31st.March,2016		-	-
Increase during the period		20,00,000	2,00,00,000
As at 31st.March,2017		20,00,000	2,00,00,000
Issued equity capital with voting rights Equity shares of Rs 10 each issued, subscribed and fully paid			
As at 31st.March,2016		-	-
Changes during the period		20,00,000	2,00,00,000
As at 31st.March,2017		20,00,000	2,00,00,000

(i)Terms and rights attached to equity shares

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

(ii)Shares of the company held by holding company

Particulars		As at 31.03.2017
Isgec Heavy Engineering Limited *		51%

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

(ii)Detail of share holders holding more than 5% shares in the company

	As at 31.03.2017	
Particulars	**Number of shares**	**% of holding**
Isgec Heavy Engineering Limited	10,20,000	51%
Redecam Group S.P.A.	9,80,000	49%
	20,00,000	100%

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Isgec Redecam Enviro Solutions Private Limited
Notes to financial statements for the period ended 31.03.2017

Note 5 (b) : Other equity

Reserves and surplus

(IN INR)

	As at 31.3.2017
Retained earnings (i)	(13,350)
Total reserves and surplus	**(13,350)**

(i) Retained earnings

	As at 31.3.2017
Opening balance	-
Profit/(loss) for the period	(13,350)
Closing balance	**(13,350)**

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Isgec Redecam Enviro Solutions Private Limited
Notes to financial statements for the period ended 31.03.2017

Note 6 : Trade payables

(IN INR)

	As at 31.03. 2017	
	Non- Current	Current
Trade payables		63,539
Total Trade payables	-	**63,539**

Note 7 : other income

(IN INR)

Particulars	For the period 1st February 2017 to 31 March, 2017
Interest income	38,464
Total other income	**38,464**

Note 8 : Other expenses

(IN INR)

Particulars	For the period 1st February 2017 to 31 March, 2017
Statutory audit fee *	57,500
Total other expenses	**57,500**

* Include service tax 7,500

Note 9 : Earnings per share(EPS)

In accordance with IND- AS 33 on "Earning per share",the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per share:

(IN INR)

Particulars	For the period 1st February 2017 to 31 March, 2017
Profit /(loss) attributable to equity shareholders	(13,350)
Weighted average number of equity shares	**20,00,000**
Nominal value of equity shares	10
Basic and diluted earnings per share	(0.007)

Note 10 : Related Party transactions

(a)Transactions with related parties
The following transactions occurred with related parties

(IN INR)

Particulars	For the period 1st February 2017 to 31 March, 2017
Issue of share capital	
- Isgec Heavy Engineering Limited	1,02,00,000
- Redicam Group S.P.A.	98,00,000
Total related parties transactions	**2,00,00,000**
(b) Key management personnel	NIL

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Isgec Redecam Enviro Solutions Private Limited
Notes to financial statements for the period ended 31.03.2017

Note 11 : Fair value measurements

Financial instruments by category **(IN INR)**

Particulars	Note	As at 31.03.2017 FVPL	FVOCI	Amortised cost
Financial assets				
Security deposits	4(a)	-	-	25,000
Interest accrued but not due	4(a)	-	-	34,616
Cash and cash equivalents	4(d)	-	-	1,96,17,705
Total financial assets		-	-	**1,96,77,321**
Financial liabilities				
Trade payables	6	-	-	63,539
Total financial liabilities		-	-	**63,539**

Fair values of financial assets and liabilities are measured at amortised cost as the carrying amounts are considered equal to their fair values.

Note 12 : Financial risk management

The company's financial liabilities comprise only trade payables for services, and financial assets include cash and cash equivalents and other financial assets measured at amortised cost.The company is exposed to credit risk and liquidity risk.

(a) Credit risk

Credit risk is the risk that a counter party will not meet the obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed from its financing activities, including deposits with banks and other financial instruments. The board of directors reviews and agrees policies for managing each of these risks.The limits are set to minimise the concentration of risks and therefore mitigate loss through counterparty's potential failure to make payments.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due.

Maturities of financial liabilities

The following table summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not signifiant

(IN INR)

		As at 31.03.2017
Contractual maturities of financial liabilities		**less than three months**
Trade payables	(note 6)	63,539
Total Non-derivatives		**63,539**

Note 13 : First-time adoption of IND AS

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the period ended 31st March 2017 ,the comparative information for the year ended 31st March 2016 and as at 1st April 2015 do not exist as this is the first accounting period since the date of incorporation of the company on 1st February 2017. Therefore,the requirements in IND AS 101 i.e an explanation of how the transition from previous GAAP to IND AS has affected the company's financial position, financial performance and cash flows are not applicable.

In terms of our report of even date
For K. C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. - 000057N)

(Ramesh Malhotra)
Partner
Membership No. - 013624
Place: New Delhi
Date: 23.05.2017

K. C. MALHOTRA & CO. CHARTERED ACCOUNTANTS New Delhi

For and on behalf of Board of directors

Suman Kumar Jain
Director
DIN: 07045002

Niccolo Griffini
Director
DIN: 06433739