

**Independent Auditors' Report****To The Members of ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED****Report On the Financial Statements**

We have audited the accompanying Ind AS financial statements of ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED ('the Company') which comprises the balance sheet as at 31<sup>st</sup> March, 2017, the statement of profit and loss (including other comprehensive income), 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 (herein after referred to as "Ind AS financial statements").

**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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatements, 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 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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Ind AS financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal 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 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 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 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 31<sup>st</sup> March, 2017 and its financial performance 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 section 143(11) of the Act, we give in the "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 appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, 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 relevant rules issued thereunder;



- e. On the basis of written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 did not have any litigation hence it is not required to disclose the impact of pending litigations on its financial position;
  - ii) as there is not any material foreseeable losses, on long term contracts including derivative contract therefore the Company has not made any provision, required under the applicable law or Indian accounting standards;
  - iii) as per records there is no amount required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv) As per records and as per information and explanation, the Company had not held any Specified Bank Notes or non-specified Bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Refer Note 29 to the Ind AS financial statements.

For S. S. KOTHARI MEHTA & CO.  
Chartered Accountants  
Firm Registration No. 000756N



A handwritten signature in blue ink, appearing to read "Neeraj Bansal".

Neeraj Bansal  
Partner  
Membership No. 095960

Place: New Delhi

Date: 01.05.2017

**"ANNEXURE – A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED**

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) the Company did not held any immovable property.
- (ii) (a) The inventories of the Company have been physically verified by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company did not grant 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.
- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.



- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has no dispute in respect of dues of income tax, sales tax, custom duty, wealth tax, excise duty, value added tax, service tax and cess.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not raised any money from financial institutional, bank, government or debenture during the year.
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not paid any the managerial remuneration.
- (xii) The company is not Nidhi Company, therefore this clause is not applicable to the company.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements – Refer Note 27 to the financial statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.



- (xv) As per the information and explanations given to us and on the basis of our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore this clause is not applicable to the company.

For **S. S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 000756N



*Neeraj Bansal*

Neeraj Bansal  
Partner

Membership No. 095960

Place: New Delhi

Date: 01.05.2017



**"ANNEXURE – B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ISGEC TITAN METAL FABRICATORS 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")

We have audited the internal financial controls over financial reporting of **ISGEC TITAN METAL FABRICATORS 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 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 act.

**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, issued by ICAI and deemed to be prescribed 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 judgment, 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 Company's 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 Ind AS 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.

### **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 generally 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. S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 000756N



Neeraj Bansal  
Partner  
Membership No. 095960

Place: New Delhi  
Date: 01.05.2017



**Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874**  
**Balance Sheet As At 31.03.2017**

(Amount in Rs. )

S.No	Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
	<b>ASSETS</b>			
(1)	<b>Non - current assets</b>			
	(a) Property, plant and equipment	3	98,222	-
	(b) Deferred tax assets (net)	7	54,233	80,695
			<b>1,52,455</b>	<b>80,695</b>
(2)	<b>Current assets</b>			
	(a) Inventories	9	8,35,68,044	-
	(b) Financial assets			
	(i) Trade receivables	4	36,71,899	-
	(ii) Cash and cash equivalents	10	1,33,310	6,99,225
	(iii) Bank Balances(other than(ii) above)	5	-	90,00,000
	(iv) Others	6	-	87,411
	(c) Current tax assets (net)	11	64,974	9,714
	(d) Other current assets	8	66,09,065	-
			<b>9,40,47,292</b>	<b>97,96,350</b>
	<b>Total assets</b>		<b>9,41,99,747</b>	<b>98,77,045</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity share capital	12	1,00,00,000	1,00,00,000
	(b) Other equity	13	(23,900)	(1,80,455)
			<b>99,76,100</b>	<b>98,19,545</b>
	<b>LIABILITIES</b>			
(1)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	14	5,49,58,838	-
	(ii) Trade payables	15	39,22,187	52,500
	(iii) Other financial liabilities	16	69,300	-
	(b) Other current liabilities	17	2,52,73,322	5,000
			<b>8,42,23,647</b>	<b>57,500</b>
	<b>Total Equity &amp; Liabilities</b>		<b>9,41,99,747</b>	<b>98,77,045</b>

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No.000756N

  
Neeraj Bansal  
Partner  
Membership No. 95960  
Place:   
Date: 01.05.2017

  
Steven Fredrick Muscarella  
Director  
DIN: 02788280

  
Aditya Puri  
Director  
DIN:00052534

**Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874**

**Statement Of Profit Ant Loss For The Year Ended 31.03.2017**

(Amount in Rs. )

S.No	Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
I	Revenue from operations	18	40,96,476	-
II	Other income	19	8,31,762	97,125
III	<b>Total income (I + II)</b>		<b>49,28,238</b>	<b>97,125</b>
IV	Expenses			
	Cost of materials consumed	20	2,85,49,955	-
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	21	(2,79,30,712)	-
	Finance costs	22	4,54,851	-
	Depreciation and amortization expenses	23	11,835	-
	Other expenses	24	36,18,572	3,58,275
	<b>Total expenses</b>		<b>47,04,501</b>	<b>3,58,275</b>
V	<b>Profit / (loss) before exceptional items and tax (I - IV)</b>		<b>2,23,737</b>	<b>(2,61,150)</b>
VI	Exceptional items		-	-
VII	<b>Profit / (loss) before tax (V - VI)</b>		<b>2,23,737</b>	<b>(2,61,150)</b>
VIII	Tax expense			
	(1) Current tax	25	40,720	-
	(2) Deferred Tax	25	26,462	(80,695)
			<b>67,182</b>	<b>(80,695)</b>
IX	<b>Profit / (loss) for the Period</b>		<b>1,56,555</b>	<b>(1,80,455)</b>
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 reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
			-	-
XI	<b>Total comprehensive income for the period (XIII + XIV)</b>		<b>1,56,555</b>	<b>(1,80,455)</b>
XII	Earnings per equity share			
	(1) Basic /Diluted	26	0.16	(0.18)

The accompanying notes form an integral part of the financial statements

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration I

Neeraj Bansal

Partner

Membership No. 95960

Place: *Noida*

Date: *01.05.2017*



*[Signature]*

Steven Fredrick Muscarella

Director

DIN: 02788280

*[Signature]*

Aditya Puri

Director

DIN:00052534

*[Signature]*

**Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874**  
**Notes to the Financial Statements as at 31.03.2017**

**Statement of change in Equity**

**A. Equity share capital**

(Amount in Rs. )

Particulars	Amount
As at 1st April 2015	-
Changes in Equity Share Capital	1,00,00,000
<b>As at 31st March 2016</b>	<b>1,00,00,000</b>
Changes in Equity Share Capital	-
<b>As at 31st March 2017</b>	<b>1,00,00,000</b>

**B. Other equity**

(Amount in Rs. )

Particulars	Reserve & Surplus	
	Retained Earnings	Total
As at 01.4.2015	-	-
Additions during the period	(1,80,455)	(1,80,455)
<b>As at 31.3.2016</b>	<b>(1,80,455)</b>	<b>(1,80,455)</b>
Additions during the period	1,56,555	1,56,555
<b>As at 31.03.2017</b>	<b>(23,900)</b>	<b>(23,900)</b>

*The accompanying notes form an integral part of the financial statements*

**For S.S. Kothari Mehta & Co.**  
**Chartered Accountants**  
**Firm Registration No.000756N**

Neeraj Bansal  
 Partner  
 Membership No. 95960

Place: *NOIDA*  
 Date: *01.05.2017*

*[Signature]*  
**Steven Fredrick Muscarella**  
 Director  
 DIN: 02788280

*[Signature]*  
**Aditya Puri**  
 Director  
 DIN:00052534

## 1. Corporate Information

ISGEC Titan Metal Fabricators Private Limited (the "Company") is a Joint Venture between Isgec Heavy Engineering Limited, India and Titan Metal Fabricators Inc, USA. holding 51% & 49% of the share capital respectively in the Company.

The main aim of JV is fabrication of equipments in Reactive Metals with superior infrastructure of ISGEC and proven technology of TITAN.

### Basis of Preparation

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

These financial statements are the Company's first IND AS financial statements. The Company has adopted all the IND AS standards and the adoptions was carried out in accordance with IND AS 101 First time adoption of Indian Accounting Standards. Previous period numbers in the financial statements have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note No.33 & 33A.

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

The financial statements are presented in Indian rupees (INR), except otherwise stated.

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

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

## 2. Summary of Significant Accounting Policies

### 2.1 Use of Estimates

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



## 2.2 Revenue Recognition

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

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

### Sale of products

Revenue from the sale of products is recognized on despatch of goods from the factory/ other locations, when all the significant risk and rewards of ownership of the goods have passed to the buyer, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of goods.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### Other Income

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

## 2.3 Inventories

**Raw materials & Stores & Spares:** are valued at lower of weighted average cost or net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**Finished goods and work in progress:** are valued at lower of cost or net realizable value. Cost includes cost of direct materials and applicable direct manufacturing and administrative overheads. Value of finished stock is inclusive of excise duty.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 2.4 Property, Plant & Equipment

### Recognition

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

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





## Derecognition

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

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

## 2.5 Depreciation and Amortization

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

## 2.6 Impairment of Non-Financial Assets

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

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

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



## 2.7 Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid/payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax is charged at the end of reporting period to profit & loss.

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

### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

## 2.8 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2.9 Provisions, Contingent Liabilities and Contingent Assets

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



A contingent liability is disclosed when

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

## 2.10 Earning Per Share

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

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

## 2.11 Cash and cash equivalents

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

## 2.12 Financial instruments

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

### Initial recognition

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



**Subsequent measurement**

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

**A. Non-derivative financial instruments****(i) Debt instrument carried at amortized cost**

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

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

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

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

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

**(iv) Financial liabilities**

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

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to receive cash flows from the assets have expired, or
- (ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

**Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

**2.13 Fair Value Measurement**

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

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

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



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

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

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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





**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**3. Property, plant & equipment**

(Amount in Rs. )

Particulars	Plant & Machinery	Office Equipments	Total
<b>As at 01.04.2016</b>	-	-	-
Additions	68,746	41,311	1,10,057
<b>As at 31.03.2017</b>	<b>68,746</b>	<b>41,311</b>	<b>1,10,057</b>
<b>Depreciation</b>			
<b>As at 01.04.2016</b>	-	-	-
Charge During the year	963	10,872	11,835
<b>As at 31.03.2017</b>	<b>963</b>	<b>10,872</b>	<b>11,835</b>
<b>Net Block</b>			
<b>As at 31.03.2016</b>	-	-	-
<b>As at 31.03.2017</b>	<b>67,783</b>	<b>30,439</b>	<b>98,222</b>



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**4. Trade receivables**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good	34,16,749	-
Unsecured, considered good- related parties	2,55,150	-
Doubtful	-	-
<b>Total</b>	<b>36,71,899</b>	<b>-</b>

**5. Bank Balances**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
In Fixed Deposit Accounts (within 12 months)	-	90,00,000
<b>Total</b>	<b>-</b>	<b>90,00,000</b>



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**6. Other financial assets**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Interest accrued but not due on Deposits	-	87,411
<b>Total</b>	<b>-</b>	<b>87,411</b>

**7. Deferred tax assets / liabilities (net)**

The balance comprises temporary differences attributable to:

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Preliminary Expenditure debited to statement of Profit and Loss but allowed for tax purpose in subsequent years	53,163	70,104
Other Timing Differences-Business Loss	-	10,591
Depreciation	1,070	-
<b>Closing Balance</b>	<b>54,233</b>	<b>80,695</b>

**Note:**

The Company has recognized deferred tax assets on carried forward tax losses. Since the year ended 31st march 2016 is the first year after incorporation and loss is majorly related to preliminary and preoperative expenses which are non-recurring in nature and expected to be recoverable using the estimated future taxable income. The losses can be carried forward for a period of 8 years as per Income tax Act,1961.

**7.1 Movement in Deferred Tax Assets**

(Amount in Rs. )

Particulars	Business loss	other items	PPE	Total
<b>At 1 April 2015</b>	-	-	-	-
(Charged)/credited:-				
-to profit & loss	10,591	70,105	-	<b>80,695</b>
-to other Comprehensive Income				
-Deferred tax on basis Adjustment				
<b>At 31st March 2016</b>	<b>10,591</b>	<b>70,105</b>	<b>-</b>	<b>80,695</b>
(Charged)/credited:-				
-to profit & loss	-10,591	-16,941	1,070	<b>-26,462</b>
-to other Comprehensive Income				
-Deferred tax on basis Adjustment				
<b>At 31st March 2017</b>	<b>-</b>	<b>53,163</b>	<b>1,070</b>	<b>54,233</b>



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**8. Other Assets**

(Amount in Rs. )

Particulars	Non - current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Balances with Govt. authorities	-	-	59,67,212	-
Other Advance	-	-	6,39,941	-
MAT Credit Entitlement	-	-	1,913	-
<b>Total other assets</b>	-	-	<b>66,09,065</b>	-

**9. Inventories**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Raw materials	60,92,290	-
Raw materials in Transit	4,87,05,686	-
Work-in-progress		
-Engineering Goods	2,79,30,712	-
Stores and Spares	4,76,777	-
Loose tools	25,079	-
Scrap Stock	3,37,500	-
<b>Total</b>	<b>8,35,68,044</b>	-

**10. Cash & cash equivalents**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Balances with banks		
In Current accounts	1,33,310	6,99,225
<b>Total</b>	<b>1,33,310</b>	<b>6,99,225</b>

**11. Current tax assets (net)**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Advance Income Tax/ Tax Deducted at Source	1,07,607	9,714
<b>Less:</b>		
Provision for Income Tax	42,633	-
<b>Total</b>	<b>64,974</b>	<b>9,714</b>



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**12. Share capital**

(Amount in Rs. )

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of Rs.10/-each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Issued</b>				
Equity shares of Rs.10/-each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Subscribed &amp; fully paid-up</b>				
Equity shares of Rs.10/-each with voting rights	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

**12.1. Additional information as per Schedule III**

**Notes:**

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

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

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the Year	10,00,000	1,00,00,000	-	-
Add: Issued during the Year	-	-	10,00,000	1,00,00,000
Less: Shares bought back	-	-	-	-
<b>Equity shares outstanding at the close of the Year</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

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

Class of shares/Name of the shareholders:	As at 31.03.2017		As at 31.03.2016	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Isgec Heavy Engineering Ltd.	5,10,000	51%	5,10,000	51%
(ii) Titan Metal Fabricators Inc	4,90,000	49%	4,90,000	49%





**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**13. Other equity**

**(i) Retained Earnings**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
Opening Balance	(1,80,455)	-
Net profit for the year	1,56,555	(1,80,455)
<b>Closing Balance</b>	<b>(23,900)</b>	<b>(1,80,455)</b>

**14. Borrowings**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Secured</b>		
From bank:		
Cash Credit Account	5,49,58,838	-
<b>Term loans</b>		
Supplier		
<b>Total</b>	<b>5,49,58,838</b>	<b>-</b>

Details of Securities offered for above short term borrowing :-

1. First Pari-Passu charged on current assets of the company.
2. Corporate Guarantee of ISGEC Heavy Engineering Limited.
3. Rate of interest @ 10% p.a. and is payable on demand

**15. Trade payables**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Trade payables</b>		
Due to Micro and Small Enterprises		
Outstanding dues of creditors	24,06,860	52,500
Due to related Parties	15,15,327	
<b>Total</b>	<b>39,22,187</b>	<b>52,500</b>

Note: The disclosure of balances of Micro, Small & Medium Enterprises (MSMED) is not required as there is no transaction of the company with the MSMED parties.



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements as at 31.03.2017**

**16. Other financial liabilities**

(Amount in Rs. )

Particulars	Current	
	As at 31.03.2017	As at 31.03.2016
Other Creditors	69,300	
<b>Total</b>	<b>69,300</b>	<b>-</b>

**17. Other liabilities**

(Amount in Rs. )

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Advance from Customers:</b>		
Related parties	-	-
Others	2,51,20,000	-
Statutory dues payable		
-Taxes Payable	1,53,322	5,000
<b>Total</b>	<b>2,52,73,322</b>	<b>5,000</b>



**Isgec Titan Metal Fabricators Private Limited****Notes to the Financial Statements for the year ended 31.03.2017****18. Revenue from operations**

(Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Sale of Products</b>		
- Engineering Goods	<b>38,53,476</b>	-
<b>Sale of Services</b>	<b>2,43,000</b>	-
<b>Total</b>	<b>40,96,476</b>	-

**19. Other income**

(Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Interest Income</b>		
- On Bank Deposits	<b>8,20,520</b>	97,125
<b>Misc receipts</b>	<b>3,992</b>	-
<b>Excess Provision Written Back</b>	<b>7,250</b>	-
<b>Total</b>	<b>8,31,762</b>	<b>97,125</b>



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements for the year ended 31.03.2017**

**20. Cost of materials consumed**

(Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Raw Material Consumed	2,85,37,767	
Store consumed	12,188	
<b>Total</b>	<b>2,85,49,955</b>	<b>-</b>

**20.1 Details of Raw Materials and Components Consumed**

(Amount in Rs. )

Type of Materials	Units	Year ended 31.03.2017		Year ended 31.03.2016	
		Quantity	Value	Quantity	Value
Iron and Steel	MT	12.91	61,86,887	0.00	0.00
Forgings	Pcs.	20	1,88,68,238	0.00	0.00
Tubes	Mtr.	177.66	23,15,270	0.00	0.00
Components issued for jobs			11,79,560	0.00	0.00
<b>Total</b>			<b>2,85,49,955</b>		<b>0.00</b>



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements for the year ended 31.03.2017**

**21. Changes in inventories of finished goods, stock - in - trade & work - in - progress**  
 (Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Opening stock</b>		
Work - in - Progress	-	-
<b>Total opening balance</b>	-	-
<b>Closing stock</b>		
Work - in - Progress	2,79,30,712	-
<b>Total closing balance</b>	2,79,30,712	-
<b>Total changes in inventory</b>	(2,79,30,712)	-

**22. Finance costs**  
 (Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest Expense	4,54,851	-
<b>Total</b>	4,54,851	-

**23. Depreciation and amortization expense**  
 (Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Depreciation of Property, Plant & Equipment	11,835	-
<b>Total</b>	11,835	-





**Isgec Titan Metal Fabricators Private Limited****Notes to the Financial Statements for the year ended 31.03.2017****24. Other expense**

(Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Excise duty on sale of goods	4,28,164	-
Other Manufacturing Expenses	1,30,286	-
Power Consumed	73,063	-
Filing Fee		2,08,595
Bank Charges	2,24,620	3,570
General Expenses	5,73,702	4,160
Foreign Exchange Fluctuation	6,89,819	
Printing & Stationary	675	9,450
Legal & Professional Charges	76,380	75,000
Brokerage and Commission	5,63,303	
<b>Repair &amp; Maintenance:</b>		
Machinery repair	10,528	-
Insurance Charges	1,000	-
Travelling Expenses	29,031	-
Professional Services	7,58,001	-
<b>Auditors Remmuneration:</b>		
Statutory audit fees	60,000	57,500
<b>TOTAL</b>	<b>36,18,572</b>	<b>3,58,275</b>



**Isgec Titan Metal Fabricators Private Limited**

**Notes to the Financial Statements for the year ended 31.03.2017**

**25. Tax expense**

**(a) Tax Expense**

(Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>(a) Current Taxes</b>		
Current tax on profits for the year	42,633	-
<b>Total Current tax Expense</b>	<b>42,633</b>	-
Less: MAT Credit Entitlement	1,913	-
<b>Net Current tax Expense</b>	<b>40,720</b>	-
<b>(b) Deferred Tax</b>		
Decrease(increase) in deferred tax assets	26,462	(80,695)
<b>Total</b>	<b>67,182</b>	<b>(80,695)</b>

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

(Amount in Rs. )

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Profit before income tax expense	2,23,737	(2,61,150)
<b>Tax at Indian tax rate of 29.87%</b> <b>(in 2015-16 tax rate was 30.9%)</b>	<b>66,830</b>	<b>(80,695)</b>
Add: Change in rate of Tax	352	-
<b>Income tax Expense</b>	<b>67,182</b>	<b>(80,695)</b>



**Isgec Titan Metal Fabricators Private Limited**

**Notes to the Financial Statements for the year ended 31.03.2017**

**26 Earning per share(Ind As 33):**

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

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit / (Loss) available to Equity Shareholders	1,56,555	(1,80,455)
Number of Weighted Average Equity Shares outstanding during	10,00,000	10,00,000
Nominal value of Equity Share (In Rs.)	10.00	10.00
Basic & Diluted Earning per Share (In Rs.)	0.16	(0.18)

**27 Related party transactions (Ind AS 24)**

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

**1) Description and name of related parties**

**(i) Joint Venture Partners**

1 Isgec Heavy Engineering Limited	India	51	51
2 Titan Metal Fabricators Inc	USA	49	49

**(ii) Key Management Personnel**

1 Mr. Aditya Puri	Director
2 Mr. Ravi Jaidka	Director
3 Mr. Steven Fredrick Muscarella	Director
4 Mr. Thomas William Muscrella	Director

**2) Details of related party transactions and outstanding balance as at 31st March,2017**

S.no	Nature of Transaction/ Relationship	2016-17	2015-16
a)	The following transactions were carried out with the related parties in the ordinary course of business		
	<b>Joint Venture Partners</b>		
	<b>- ISGEC Heavy Engineering Limited</b>		
i)	Purchase of Goods	93,606	-
ii)	Services Received	14,42,365	-
iii)	Services Rendered	2,79,450	-



**Isgec Titan Metal Fabricators Private Limited**  
**Notes to the Financial Statements for the year ended 31.03.2017**

**b) Amount due to / from related parties**  
**Joint Venture Partners**  
**- ISGEC Heavy Engineering Limited**

Amount payable as at year end 12,60,177 -

**28 Segment Reporting**

The Company operates in only one segment of engineering business which comprises of production and sales of Engineering Equipment's, identified in accordance with principle enunciated in Indian Accounting Standard Ind AS-108, Segment Reporting. Hence, separate business segment information is not applicable. The Chief Operational Decision Maker 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.

There is one customer having more than 10% of the total revenue

**29 Disclosure Requirement in Financial Statements**

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



**FINANCIAL INSTRUMENTS- ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT**
**30. Financial instruments by category**

Particulars	31st March 2017			31st March 2016		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Trade receivables	36,71,899			-		
Cash and cash equivalents	1,33,310			6,99,225		
Bank Balances	-			90,00,000		
Others	-			87,411		
<b>Total Financial Assets</b>	<b>38,05,209</b>			<b>97,86,636</b>		
<b>Financial Liabilities</b>						
Borrowings	5,49,58,838			-		
Trade payables	39,22,187			52,500		
Other Financial Liabilities	69,300			-		
<b>Total Financial Liabilities</b>	<b>5,89,50,325</b>			<b>52,500</b>		

**(i) Fair Value Hierarchy**

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

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

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

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

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

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

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at 31.03.2017	Fair Value Measurement using			
	Carrying Value 31.03.2017	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial Assets</b>	-	-	-	-
<b>Total Financial Assets</b>	-	-	-	-
<b>Financial Liabilities</b>				
Borrowings	5,49,58,838	-	5,49,58,838	-
Other financial liabilities	-			
<b>Total Financial liabilities</b>	<b>5,49,58,838</b>	<b>-</b>	<b>5,49,58,838</b>	<b>-</b>

**Valuation technique used to determine fair value**

The fair value of borrowings are measured using discounted cash flow analysis

**Note:**

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, Interest accrued and Bank balance are considered to be same as their fair value, due to their short term nature

For financial assets and liabilities measure at fair value, the carrying amount equals to the fair value





**31. FINANCIAL RISK MANAGEMENT**

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

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

**I. Market risk**

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

**(a) Interest rate risk**

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

**(b) Foreign currency risk**

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

**(c) Price Risk**

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

**II. Credit risk**

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

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

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

Ageing	Not Due	Less than 3 months	3 to 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
As at 31-03-2017							
Gross Carrying Amount	-	36,71,899.05	-	-	-	-	36,71,899
Expected loss Rate (in percentage)							
Expected Credit Loss (in Rs.)							
Carrying Amount (net of impairment)	-	36,71,899	-	-	-	-	36,71,899



**Isgec Titan Metal Fabricators Pvt. Ltd.****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017****III. Liquidity Risk**

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

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

As at 31-03-2017	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Borrowings	5,49,58,838	5,49,58,838					5,49,58,838
Trade payables	39,22,187		39,22,187				39,22,187
Other Liabilities	69,300		69,300				69,300
<b>Total</b>	<b>5,89,50,325</b>	<b>5,49,58,838</b>	<b>39,91,487</b>	-	-	-	<b>5,89,50,325</b>

As at 31-03-2016	Carrying Amount	On Demand	Less than 6 months	6-12 months	12 months to 3 years	More than 3 years	Total
Borrowings							-
Trade payables	52,500		52,500				52,500
Other Liabilities							-
<b>Total</b>	<b>52,500</b>	-	<b>52,500</b>	-	-	-	<b>52,500</b>



**Isgec Titan Metal Fabricators Private Limited****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017****32. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to equity shareholders. The primary objective of company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at 31st March 2017
Borrowings	5,49,58,838
Trade payables	39,22,187
Less : Cash & Cash Equivalents(note 10)	1,33,310
<b>Net Debt</b>	<b>5,87,47,714</b>
Total Equity	99,76,100
<b>Total Capital and Net Debt</b>	<b>6,87,23,814</b>
<b>Net debt to equity ratio (Gearing Ratio)</b>	<b>85.48%</b>

**Notes-**

- (i) Debt is defined as short-term borrowings and trade payables as described in note 14& 15.
- (ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.
- (iii) As on 31.3.2016 the company has only one class of equity shares and has no debt therefore the gearing ratio is not measured as at 31.3.2016.

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



**Isgec Titan Metal Fabricators Private Limited**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017**

**33. First Time Adoption of Ind AS**

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

Accordingly, the company has prepared its financial statement to comply with the Ind AS for the year ending 31st March, 2017, together with the comparative data as at and for the year ended 31st March, 2016.



Isgec Titan Metal Fabricators Private Limited CIN: U28112HR2015PTC055874  
Reconciliation of Balance Sheet as at 31st March 2016

(Amount in Rs)					
Particulars	As per Indian Gaap	Re-classification	Re- measurement	As per Ind AS	Remarks
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment				-	
Investment property				-	
Other Intangible assets				-	
Capital work in progress				-	
Biological assets other than bearer plants				-	
<b>Financial assets</b>					
Investments				-	
Trade receivables				-	
Loans(Including security deposits)				-	
Bank Balances				-	
Others				-	
Deferred Tax assets	80,695.00			80,695.00	
Other non-current assets				-	
	<b>80,695</b>	-	-	<b>80,695.00</b>	
<b>Current assets</b>					
Inventories				-	
<b>Financial assets</b>					
Investments				-	
Trade receivables				-	
Cash & cash equivalents	96,99,225.00	(90,00,000.00)		6,99,225.00	
Bank Balances		90,00,000.00		90,00,000.00	
Loans	9,714.00	(9,714.00)		-	
Others		87,411.00		87,411.00	
Current tax assets		9,714.00		9,714.00	
Other current assets	87,411.00	(87,411.00)		-	
	<b>97,96,350.00</b>	-	-	<b>97,96,350.00</b>	
<b>Total</b>	<b>98,77,045.00</b>	-	-	<b>98,77,045.00</b>	
Particulars	As per Indian Gaap	Re-classification	Re- measurement	As per Ind AS	Remarks
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	1,00,00,000.00			1,00,00,000.00	
Reserves and surplus-other equity	(1,80,455.00)			(1,80,455.00)	
	<b>98,19,545</b>	-	-	<b>98,19,545.00</b>	
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Long term borrowings				-	
Trade payables				-	
Other financial liabilities				-	
Provisions				-	
Deferred Tax liability				-	
Other long term liabilities				-	
	-	-	-	-	
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Short term borrowings				-	
Trade payables		52,500.00		52,500.00	
Other financial liabilities				-	
Other current liabilities	57,500.00	-52,500.00		5,000.00	
Provisions				-	
Current tax liabilities				-	
	<b>57,500</b>	-	-	<b>57,500.00</b>	
<b>Total</b>	<b>98,77,045</b>	-	-	<b>98,77,045.00</b>	

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No.000756N  
Neeraj Bansal  
Partner  
Membership No. 95960  
Place: *Noida*  
Date: *01.05.2017*

*Steven Fredrick Muscarella*  
Steven Fredrick Muscarella  
Director  
DIN: 02788280

*Aditya Puri*  
Aditya Puri  
Director  
DIN:00052534  
*Ju*