

CHARTERED ACCOUNTANTS

CA. (DR). HITEN PARIKH

M.Com., LL.B., FCA., Phd

CA. SANJAY MAJMUDAR

B.Com., LL.B., FCA

Independent Auditors' Report**To the Members of SAVAS ENGINEERING COMPANY PVT. LTD****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **M/s SAVAS ENGINEERING COMPANY PVT. LTD** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial Position) of the Company as at March 31, 2019, and its losses (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other

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information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

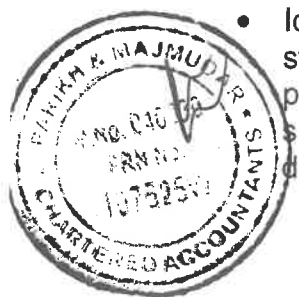
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 purposes of our audit,
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations, received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone Financial Statements (Refer Note No 29 to the Standalone Financial Statements.)
- ii The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.



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

Place: Ahmedabad
Date: 18/05/2019

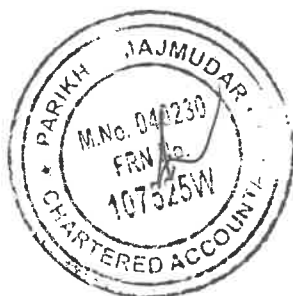


For Parikh & Majmudar
Chartered Accountants
FR No. 107525W


[C.A. (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

**ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF SAVAS ENGINEERING COMPANY
PRIVATE LIMITED ON THE STANDALONE FIANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST MARCH 2019**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) According to the information and explanations given to us, the property, plant and equipment. are verified in a phased manner by the management during the year , which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks and the books of accounts were not material.
- (iii) The Company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.(the Act).
- (iv). According to the information and explanations given to us, the company has not made any investment or given any loans during the year under review.
- Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi). As explained to us, the Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the companies Act 2013.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, ESIC, income-tax, sales tax, value added tax, duty of customs, duty of excise, Goods & Service Tax, service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, ESIC, income tax, sales tax, value added tax, duty of customs, duty of excise, Goods & Service Tax, service tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date it became payable.

- b) According to the information and explanations given to us, there are no material dues of sales tax, Goods & Service Tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax have not been deposited by the company on account of disputes.

Name of the statute	Nature of Dues	Amount (₹) (Net of payment)	Financial year to which the amount relates	From where the dispute is pending
Income Tax Act 1961	Corporate Tax	17,60,270	2009-10	CIT APPEAL, Pune

- (viii) According to information & explanations given to us, the company has not defaulted in repayment of its dues to Banks. The company does not have any borrowings from debenture holders or financial institutions or Government.
- (ix) According to the information & explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.



- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As explained to us, as the company being Private limited Company and accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Ahmedabad
Date : 18/05/2019



For Parikh & Majmudar
Chartered Accountants
Firm Reg. No. 107525W


[C.A. (Dr) Hiten M. Parikh]
PARTNER
M. No. 040230

Annexure B to the Independent Auditor's Report of Even Date to the Members of SAVAS ENGINEERING COMPANY PVT. LTD on the Standalone Financial Statements of the year ended on 31st March 2019

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

In conjunction with our audit of the standalone financial statements of **M/s SAVAS ENGINEERING COMPANY PVT. LTD** ("the Company") as at and for the year ended 31st March 2019, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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 ('ICAI'). 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 the company's 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 Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March 2019, 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 issued by the ICAI.



Place: Ahmedabad
Date: 18/05/2019

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W


[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Particulars.	Note	As at 31st Mar 2019	As at 31st Mar 2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	10,38,65,158	9,88,69,180
(b) Capital work-in-progress	2	-	4,41,485
(c) Intangible Assets	2	85,693	1,71,386
(d) Financial Assets			
(i) Loans	3	12,60,000	11,40,000
(ii) Trade Receivables	4	52,17,391	1,91,32,814
(iii) Other Financial Assets	5	14,20,117	14,10,117
(e) Deferred Tax Assets	6	1,35,55,850	1,15,30,421
(f) Other Non Current Assets	7	25,95,790	25,95,790
(2) Current Assets			
Investment			
(a) Inventories	8	10,46,38,355	8,02,80,786
(b) Financial Assets			
(i) Trade receivables	9	6,93,19,804	2,58,49,958
(ii) Cash and cash equivalents	10	65,288	41,935
(iii) Bank Balance other than (iii) above	11	27,07,531	7,52,924
(vi) Loans	12	3,35,231	1,95,380
(v) Other Financial Assets	13	6,68,000	90,956
(d) Other current assets	14	57,09,853	35,01,557
TOTAL		31,14,44,060	24,60,04,688
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	19,05,000	19,05,000
(b) Other Equity	16	3,27,68,174	3,73,99,895
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	6,47,61,114	6,47,61,114
(ii) Others			
(b) Provisions	18	9,94,914	10,76,505
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	3,76,88,042	1,65,84,023
(i) Trade Payables	20		
i) Due to Micro & Small Enterprises		20,42,710	-
ii) Due to other than Micro & Small Enterprises		5,60,01,804	5,94,13,004
(iii) Other Financial Liabilities	21	2,87,318	2,22,609
(b) Other Current Liabilities	22	11,49,12,689	6,06,85,302
(c) Current Tax Liabilities (Net)	23	-	38,95,178
(d) Short Term Provisions	24	82,295	62,059
TOTAL		31,14,44,060	24,60,04,688

Summary of significant accounting policies
The accompanying notes are an integral part of the
Financial Statement.

1

As per our attached report of even date

For and on behalf of the Board

For Parikh and Majumdar
Chartered Accountants
Registration No : FRN 107525W

Savas Engineering Company Private Limited

CA DR. Hiren Parikh
Partner
M. No 040230
Date: 18th May 2019
Place: Ahmedabad

Sunil Jain
Director
DIN : 01732987
Date: 18th May 2019
Place: Ahmedabad

Mahendra Vyas
Director
DIN : 0797484



(Signatures of Sunil Jain and Mahendra Vyas)

Standalone Statement of Profit and Loss for the Year ended on 31st March, 2019

Particulars	Note	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Revenue From Operations	25	23,36,76,937	24,67,32,949
Other Income	26	15,10,900	3,05,020
Total Revenue (I)		23,51,87,836	24,70,37,969
Expenses:			
Cost of Raw Materials Consumed	27	17,92,50,869	14,57,87,371
Changes in Inventories of Finished Goods and Process Stock	28	(2,36,43,172)	58,63,356
Employee Benefits Expenses	29	1,03,45,387	54,36,053
Finance Cost	30	1,18,99,435	99,23,014
Depreciation & Amortization Expenses	2	45,29,998	1,18,95,448
Other Expenses	31	6,01,39,721	38,19,770
Total Expenses (II)		24,25,22,239	23,08,65,396
Profit /(Loss) Before Tax III (I-II)		(73,34,402)	1,61,72,573
Tax Expenses:			
(1) Current Tax		-	40,50,000
Less : MAT Credit Entitlement		-	-
(2) Deferred Tax		(20,32,797)	73,23,664
(3) MAT Credit Entitlement reversed		(4,57,591)	-
(4) Short/(Excess) Provision of Taxation of Earlier Years		-	-
Profit /(Loss) for the Year		(57,59,196)	47,98,909
Other comprehensive income (OCI) X			
(a) Items that will not be reclassified to profit or loss		28,336	(1,36,102)
(i) Re-measurement of the defined benefit plans		(7,367)	37,500
(ii) Gains from investments in equity instruments designated at fair value through other comprehensive income		-	-
Tax impact		(57,38,228)	47,00,306
Earning Per Equity Share:			
(1) Basic		(30.23)	25.19
(2) Diluted		(30.23)	25.19
Face Value per Share		10	10

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statement.

As per our attached report of even date

For and on behalf of For and on behalf of the Board

For Parikh and Majumdar
Chartered Accountants
Registration No : FRN 107525W

CA. Dr. Hiren Parikh
Partner
M. No 040230
Date: 18th May 2019
Place: Ahmedabad

Savas Engineering Company Private Limited

Sumil Jain
Director
DIN : 01732987
Date: 18th May 2019
Place : Ahmedabad

Mahendra Vyas
Director
DIN : 00797484



Savas Engineering Company Private Limited
Standalone Cash Flow Statement for the year ended on 31st March 2019

Particular	Year Ended on 31st Mar 2019		Year Ended on 31st Mar 2018	
(A) Cash Flow from Operating Activities				
Profit before Tax		-73,06,066		1,60,36,471
Adjustments for :				
Depreciation	45,29,998		38,19,770	
Finance Expense	1,18,99,435		1,19,38,143	
Indas Adjustment	11,06,507		5,40,925	
Loss/(Profit) on Sales of fixed assets			-	
Interest Income	-3,05,035		(3,05,020)	
Operating Profit before Working Capital Changes		1,72,30,905		1,59,93,818
		99,24,839		3,20,30,288
Adjustment for:				
Operating Liabilities	4,89,67,073		57,67,841	
Trade receivables	-4,34,69,846		(1,85,36,049)	
Other receivables	-29,25,191		13,01,480	
Inventories	-2,43,57,569		13,88,409	
Cash Generated from/(used in) Operations		(2,17,85,533)		(1,00,78,319)
Direct Taxes paid /Payable	-4,57,591	(1,18,60,694)		2,19,51,969
Cash Flow Before Extraordinary Items		(4,57,591)		(40,50,000)
Extraordinary items		(1,23,18,285)		1,79,01,969
Net Cash Generated from/(used in) Operating Activities (A)		(1,23,18,285)		1,79,01,969
(B) Cash Flow from Investing Activities				
Purchase of Fixed Assets	-89,98,184		(59,89,392)	
Sale of fixed assets				
Changes on account of non current assets	1,37,85,433		80,17,020	
Interest Received	3,05,035		3,05,020	
Net Cash Generated from/(used in) Investing Activities (B)		50,92,284		23,32,648
		50,92,284		23,32,648
(C) Cash Flow from Financing Activities				
Proceeds/(Repayment) from Secured Loan				
Proceeds (Net) from Bank borrowings for WC Facilities	2,11,04,019		(82,16,650)	
Interest Paid	(1,18,99,435)		(1,19,38,143)	
Net Cash Generated from/(used in) Financing Activities (C)		92,04,584		(2,01,54,793)
(D) Net Increase/(Decrease) in Cash & Cash Equivalents (A +B+C)		19,78,583		79,825
(E) Cash and Cash Equivalents -Opening Balance		7,94,235		7,14,410
(F) Cash and Cash Equivalents -Closing Balance (D+E)		27,72,818		7,94,235

Note :

1) Cash and Cash Equivalents

a) Cash on hand

b) Balance with Banks in Current account

c) Balance with Banks in Margin Money account

Cash and Cash Equivalents as per Note no 16

As at
31st Mar 2019

As at
31st Mar 2018

25,920

15,391

27,46,898

7,78,844

27,72,818

7,94,235

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

Note 1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (INDAS 7) Statement of Cash flows. 2.

This is the Cashflow Statement referred to in our report of even date.

For and on behalf of the Board

Savas Engineering Company Private Limited

Sunil Jain

Director

DIN : 01732987

Place : Ahmedabad

Date: 18th May 2019

Mahendra Vyas

Director

DIN : 0797484

For Parikh and Majumdar

Chartered Accountants

Registration No : FRN 107525W

CA. Dhanraj Parikh

Partner

M. No. 040230

Place : Ahmedabad

Date: 18th May 2019



SIGNIFICANT ACCOUNTING POLICIES

DISCLOSURE OF ACCOUNTING POLICIES

1. CORPORATE INFORMATION:

Savas Engineering Company (Pvt.) Ltd., (hereinafter referred to as "Savas" or "The Company") is situated at Changodar, Radhe Industrial Estate, Ahmedabad (India). The company develops custom solutions for applications involving vacuum processes for heavy duty insulation. The engineered product range includes Vapour Phase Drying, Vacuum Drying Autoclaves, Oil Treatment Systems, etc.

2. Application of New Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Recent accounting pronouncements

Ind AS 116 "Leases"

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

Ind AS 12 Income taxes" (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty



over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 23 – “Borrowing Costs”

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

A) Basis of preparation and compliance with Ind AS

These Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

B) Basis of measurement

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements have been presented in Indian Rupees (INR), which is also the functional currency. All values are rounded off to the nearest two decimal lacs, unless otherwise indicated.

Fair value measurement

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

C) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.



All financial information presented in Rupees has been presented in full figures.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

a) Revenue Recognition

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue from services is recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Company, and the amount of revenue can be measured reliably.

Interest income from financial assets is recognised at the effective interest rate applicable on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Export incentives are accrued in the year when the right to receive credit is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

The Company accounts for insurance claims in case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable - Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.

As and when claims are finally received from the insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is recognised in the Statement of Profit and Loss.



b) Property, Plant and Equipment

a. *Property, plant and equipment [PPE]*

Under Ind AS 16, if the entity adopts the revaluation model, items of PPE whose fair value can be measured reliably are carried at a revalued amount, which is their fair value at the revaluation date less any subsequent accumulated depreciation and accumulated impairment losses. Ind AS 113 *Fair Value Measurement* is used to arrive at the fair value of the PPE. Though Ind AS does not mandate use of valuation professionals for arriving at fair value; in practice, entities obtain their help for arriving at fair value.

If an item of PPE is revalued, the entire class of PPE to which that asset belongs should be revalued. Ind AS 16 does not allow any pick and choose from a class of PPE for revaluation purposes. A class of PPE is a grouping of assets of similar nature and use in an entity's operations.

Hence all PPE, except Land are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses relating to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met. Thus the policy of the company is that subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the entity and the cost of the same can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 statement of profit and loss, when the asset is derecognized.

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

b. Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

c. Depreciation

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life (determined by the management based on technical estimates), as follows:

The estimated useful lives of assets are as follows:

<input type="checkbox"/> Buildings	30 years
<input type="checkbox"/> Plant and equipments	15 years
<input type="checkbox"/> Furniture and fixtures	10 years
<input type="checkbox"/>	
<input type="checkbox"/> Vehicles	8-10 years
<input type="checkbox"/> Office equipments	5 years
<input type="checkbox"/> Computers	3 years



Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

c) Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

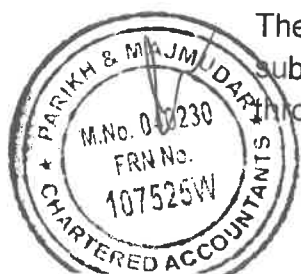
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

In the year under review, there is only one intangible – computer software – for which the management has estimated a useful life of 3-5 years and the same is amortized on straight-line basis.

d) Financial instruments

• Financial Assets:

The company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.



The Company measures all equity instruments in subsidiaries at cost initially and also on subsequent recognition.

The company measures all quoted equity instruments other than in subsidiaries at fair value on initial and subsequent recognition. Changes in fair value of quoted instruments in equity shares are shown as profit/loss on fair valuation of investments in Statement of Profit and Loss. Currently there are no quoted investments.

Trade Receivables represents receivables for goods sold by the company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date. They are recognized initially and subsequent measured at amortized cost.

The company assesses the expected credit losses associated with its assets carried at amortized cost. Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a provision matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the provision for such impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to profit and loss.

A financial asset is derecognized only when the company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current /Long-term investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-current investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of investments.

- Financial Liabilities

Borrowings are initially recognized and subsequently measured at amortized cost, net of transaction costs incurred. The transaction costs is amortized over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related plant, property and Equipment and subsequently under finance costs in profit and loss account.

Borrowings are removed from balance sheet when the obligations specified in the contract is discharged, cancelled or expired.



Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade payables represent liabilities for goods and services provided to the company upto the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

- Equity

Equity shares are classified as equity .

Provision is made for the amount of any dividend declared and dividend distribution tax thereon, being appropriately authorized and no longer at the discretion of the entity on or before the end of the reporting period but not distributed at the end of the reporting period.

e) Foreign Exchange Transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

f) Borrowing Costs

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. Borrowing cost also includes exchange differences if any, to the extent regarded as an adjustment to the borrowing costs.



Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

g) Impairment of Non-financial assets

The Company reviews the carrying amount of its tangible and intangible assets Property, Plant and Equipment (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) at an interval of 3 years to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

An assessment is made at an interval of 3 years to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.



h) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and conditions are accounted for as follows:

□ Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. In transit goods are valued at invoice price.

□ Work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

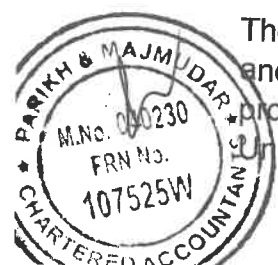
i) Accounting For Taxes On Income:

Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

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 purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

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



recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.

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 Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

j) Employee benefit schemes

(i) Short Term Employee Benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives etc.

(ii) Defined Contribution Plan

The Company's contributions paid / payable for the year to Provident Fund are recognized based on the undiscounted amount of obligation to the Statement of profit and loss.

(iii) Defined Benefit Plan

Defined retirement benefit plans comprising of gratuity and leave encashment are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(iv) Other Long Term Employee Benefits



Other long term employee benefit comprises of leave encashment towards un-availed leave and Compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement of leave encashment towards un-availed leave and compensated absences are recognized in the statement of profit and loss in the period in which they occur.

k) Provision for liabilities and charges, Contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent Liabilities are disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

l) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

m) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future



cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

n) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

The following are the critical judgements, apart from those involving estimations, that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

- Assumptions and Estimation Uncertainties

Estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses have been made by the management. Actual results may differ from these estimates.

- Defined Benefit Obligations

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



- Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. 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. Revisions to the accounting estimates are recognised prospectively.

o) Related Party Transactions:

A related party is a person or entity that is related to the reporting entity preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person; has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

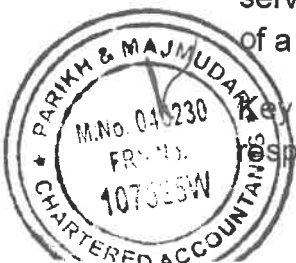
(b) An entity is related to a reporting entity if any of the following conditions applies; (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity,



directly or indirectly, including any director (whether executive or otherwise) of that entity.

Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

p) Current And Non-Current Classification:

The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is current when it is (a) expected to be realised or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and 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.

An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.



2. Fix Assets

Particulars./Assets	Tangible Assets										Intangible Asset	
	Freehold Land	Factory Building	Office Building	Computer	Office Equipments	Electrical Fittings	Furniture & Fixtures	Plant & Machinery	Vehicle	Total		Software
Gross Block												
As on 01.04.2018	3,46,75,520	3,45,28,066	13,38,097	1,22,674	5,01,317	33,75,930	5,74,834	3,02,56,862	7,65,674	10,61,38,974		3,86,311
Addition	-	26,54,811	10,38,784	1,80,130	3,45,660	96,900	1,97,775	48,79,259	46,350	94,39,669		-
Deletion	-	-	-	-	-	-	-	-	-	-		-
As on 31.03.2019	3,46,75,520	3,71,82,877	23,76,881	3,02,804	8,46,977	34,72,830	7,72,609	3,51,36,121	8,12,024	11,55,78,643		3,86,311
Accumulated Depreciation												
As on 01.04.2018	-	25,05,112	80,648	45,304	1,02,932	6,20,304	1,64,756	34,73,649	2,76,476	72,69,181		2,14,925
Addition	-	12,93,221	50,932	14,200	79,387	4,72,466	94,550	22,98,228	1,41,320	44,44,304		85,693
Deletion	-	-	-	-	-	-	-	-	-	-		-
As on 31.03.2019	-	37,98,333	1,31,580	59,504	1,82,319	10,92,770	2,59,306	57,71,877	4,17,796	1,17,13,485		3,00,618
Net Block as on 31.03.2018	3,46,75,520	3,20,22,954	12,57,449	77,370	3,98,385	27,55,626	4,10,078	2,67,83,213	4,89,198	9,88,69,180		1,71,386
Net Block as on 31.03.2019	3,46,75,520	3,33,84,544	22,45,301	2,43,300	6,64,658	23,80,060	5,13,303	2,93,64,244	3,94,228	10,38,65,158		85,693



Notes to Standalone Financial Statements for the Year ended on 31st March 2019

3. Financial Assets		
	As at 31st Mar 2019	As at 31st Mar 2018
Loan given to Director	12,60,000	11,40,000
Total	12,60,000	11,40,000
4. Trade Receivables		
	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured, considered good	52,17,391	1,91,32,814
Considered Doubtful	2,47,34,264	1,74,71,666
Less : Provision for Doubtful Debts	2,47,34,264	1,74,71,666
Total	52,17,391	1,91,32,814
5. Other Financial Assets		
	As at 31st Mar 2019	As at 31st Mar 2018
Electricity & Other Deposits	14,20,117	14,10,117
Total	14,20,117	14,10,117
6. Deferred Taxes (Net)		
	As at 31st Mar 2019	As at 31st Mar 2018
Deferred Taxes		
Deferred Tax Liability		
Difference between Fair value of investment		
Difference between book and tax depreciation	63,19,106	60,36,060
Total (A)	63,19,106	60,36,060
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961		
unabsorbed Depreciation/Business Loss/Provision for doubtful debts	2,58,54,646	2,35,23,557
MAT Credit Entitlement		
Capital Reserve Resolution	(59,79,690)	(59,57,077)
Total (B)	1,98,74,956	1,75,66,480
Total (A-B)	(1,35,55,850)	(1,15,30,421)
7. Other Non-Current Assets		
	As at 31st Mar 2019	As at 31st Mar 2018
Deposits and balances with government and other authorities	25,95,790	25,95,790
Total	25,95,790	25,95,790
8. Inventories		
	As at 31st Mar 2019	As at 31st Mar 2018
(As taken valued and Certified by Management)		
Raw Materials	3,59,79,804	3,52,65,407
Work In Progress	6,86,58,551	4,50,15,379
Total	10,46,38,355	8,02,80,786



9. Trade Receivables		
	As at 31st Mar 2019	As at 31st Mar 2018
UnSecured, considered good	6,93,19,804	2,58,49,958
Total	6,93,19,804	2,58,49,958
10. Cash and Cash Equivalents		
	As at 31st Mar 2019	As at 31st Mar 2018
Balances in Current account with Sechedule banks	39,368	25,920
Cash On Hand	25,920	15,391
Cheques In Hand		
Total	65,288	41,311
11. Bank Balance other than (iii) above		
	As at 31st Mar 2019	As at 31st Mar 2018
Margin Money Deposites with Bank	27,07,531	7,52,924
Total	27,07,531	7,52,924
12. Loans		
	As at 31st Mar 2019	As at 31st Mar 2018
Loans to Employees	3,35,231	1,95,380
Total	3,35,231	1,95,380
13. Other Financial Assets		
	As at 31st Mar 2019	As at 31st Mar 2018
Earnest Money Deposit	6,00,000	-
Interest accrued on deposits	68,000	90,956
	6,68,000	90,956
14. Other Current Assets		
	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured, considered good		
TDS & Advance Tax	3,58,990	4,62,769
Prepaid Expenses	5,96,141	22,472
Advances to Suppliers	25,82,738	7,53,364
Advance to Employees	21,71,984	22,62,952
Total	57,09,853	35,01,557



15. Equity Share Capital	As at 31st Mar 2019	As at 31st Mar 2018
Share Capital		
Authorised Shares 2,20,000(Previous Year 2,20,000) Equity Shares of Rs.10/- each	22,00,000	22,00,000
Total	22,00,000	22,00,000
Issued, Subscribed and Paid Up 190500(Previous Year 190500) Equity Shares of Rs.10/- each, fully paid up (Includes 177800 (P.Y 177800)shares issued for the consideration other than cash)	19,05,000	19,05,000
Total Note 1(a)	19,05,000	19,05,000
Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting year		
At the Beginning of the Period		
Issued during the period	1,90,500	1,90,500
Outstanding at the end of Period	1,90,500	1,90,500

(ii) Details of Shareholders holding more than 5 percent of Equity Shares:

Transformers & Rectifiers India Ltd.	1,90,500 100%	1,90,500 100%
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(ii) Right of Equity Shareholders

The company has one class of equity shares having a par value of Rs.10 per share. Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholder is eligible to receive the remaining assets of the Company after distribution of all preferential amounts.

16. Other Equity	As at 31st Mar 2019	As at 31st Mar 2018
(i) Other Reserves		
Revaluation Reserve		
Opening Balance	2,60,57,468	2,60,57,468
Addition: Addition during the year		
Closing Balance	2,60,57,468	2,60,57,468
Securities Premium Account		
Opening Balance	3,62,57,000	3,62,57,000
	3,62,57,000	3,62,57,000
General Reserve		
Opening Balance	27,50,000	27,50,000
	27,50,000	27,50,000
(ii) Retained Earnings		
Opening Balance	(2,86,81,679)	(3,35,24,629)
Profit for the year	(57,59,196)	48,42,950
	(3,44,40,875)	(2,86,81,679)
Deemed Capital Contribution from Holding Company	22,59,715	11,53,208
Other Comprehensive Income/(Expenses)		
Re-measurement of the defined benefit plans		
Opening Balance	(1,36,102)	
Add: Addition during the year	20,969	(1,36,102)
Closing Balance	(1,15,133)	(1,36,102)
	(3,22,96,294)	(2,76,64,573)
Total	3,27,68,174	3,73,99,895



17. Borrowing	As at 31st Mar 2019	As at 31st Mar 2018
Long Term Borrowings		
Inter corporate deposit from Transformers & Rectifiers (India) Ltd.	6,47,61,114	6,47,61,114
Total	6,47,61,114	6,47,61,114

18. Provisions	As at 31st Mar 2019	As at 31st Mar 2018
Provision for employee benefits		
Gratuity	8,72,433	8,19,333
Leave Encashment	1,22,481	2,57,172
Total	9,94,914	10,76,505

19. Borrowings	As at 31st Mar 2019	As at 31st Mar 2018
Secured Loans		
Cash Credit & Short Term Loan From Bank	3,76,88,042	1,65,84,023
Total	3,76,88,042	1,65,84,023

Note:

The above cash credit facility is secured by First & Exclusive charges on Current assets of the company and also further secured by way First charge on entire Fixed Assets of the Company Corporate Guarantee of Transformers & Rectifiers (India) Ltd, Holding Company & Personal Guarantee of Both the Directors of the Company.

20. Trade payables	As at 31st Mar 2019	As at 31st Mar 2018
Sundry Creditors		
Total outstanding dues of Micro Enterprise and Small Enterprise	20,42,710	
Total outstanding dues of Creditors Other Than Micro Enterprise and Small Enterprise	5,60,01,804	5,94,13,004
Total	5,80,44,514	5,94,13,004

20A. Trade Payables -Total outstanding dues of Micro & Small Enterprises*	As at 31st Mar 2019	As at 31st Mar 2018
Amount of interest due and payable for the delayed payment on principal amount	79,611	
Principal amount remaining unpaid as at year end (over due)	20,42,710	
Principal amount remaining unpaid as at year end (not due)	9,36,394	
Interest due and payable on principal amount unpaid as at the year end	79,611	
Total amount of interest accrued and unpaid as at year end	79,611	

21. Other Financial Liabilities	As at 31st Mar 2019	As at 31st Mar 2018
Interest accrued and not due on borrowings	2,87,318	2,22,609.0
Total	2,87,318	2,22,609



22. Other Current Liabilities	As at 31st Mar 2019	As at 31st Mar 2018
Advance From Customers	10,76,00,861	5,82,84,428.0
Liability for statutory payments	22,85,179	15,29,971.7
Other Liabilities	50,26,649	8,70,902.0
Total	11,49,12,689	6,06,85,302

23. Current Tax Liabilities (net)	As at 31st Mar 2019	As at 31st Mar 2018
Current Tax Liabilities		40,50,000
Provision for Income Tax		
Current Tax Assets		
Advance Tax Paid	-	1,54,822
Total	-	38,95,178

24. Provisions	As at 31st Mar 2019	As at 31st Mar 2018
Provision for employee benefits		
Gratuity	71,178	38,317
Leave Encashment	11,117	23,742
Total	82,295	62,059

25. Revenue from Operation	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Sale of Goods (Gross)	22,74,21,219	24,31,21,793
Service Income (Gross)		14,974
Other Operating Income (Scrap Sales)	62,55,718	35,96,182
Total	23,36,76,937	24,67,32,949

26. Other Income	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Interest Income	3,05,035	3,05,020
Balances written off (net)	11,29,494	-
Foreign Exchange Fluctuation	76,371	-
Total	15,10,900	3,05,020

27. Cost of materials consumed	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Opening Stock	3,52,65,407	3,07,90,460
Add : Purchases (Net of Cenvat Credit/GST)	17,99,65,266	15,02,62,318
	21,52,30,673	18,10,52,778
Less : Closing Stock	3,59,79,804	3,52,65,407
Total	17,92,50,869	14,57,87,371



28. Changes in Inventories of Finished Goods and Process Stock	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Closing Stocks		
Work In Progress	6,86,58,551	4,50,15,379
Less : Opening Stocks	6,86,58,551	4,50,15,379
Finished Goods	4,50,15,379	5,08,78,735
	4,50,15,379	5,08,78,735
Total	(2,36,43,172)	58,63,356

29. Employee benefits expenses	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Employee benefits expenses		
Salaries, Wages, Bonus & Others etc.	98,28,935	93,42,737
Contribution to Provident and other funds	4,86,230	4,09,788
Employee welfare expenses	30,222	1,70,489
Total	1,03,45,387	99,23,014

30. Finance Cost	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Interest to Banks		
Interest to others	31,56,373	29,62,042
Other Finance Cost	77,50,036	77,50,036
Amortisation of Financial Guarantee Fees	4,28,985	6,20,870
	5,64,041	5,62,500
Total	1,18,99,435	1,18,95,448

31. Other Expenses	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Power & Fuel	36,25,371	33,60,940
Labour Charges	3,25,23,664	2,89,01,671
Factory Security Charges	10,09,921	9,99,000
Consultancy Charges	31,47,125	14,99,039
Other Manufacturing Expense	9,97,015	14,31,034
Repairs - Plant & Machinery	21,85,079	23,72,269
Rent	7,75,354	12,99,214
Insurance	82,631	86,743
Stationary, Postage, Printing and Telephone Expense	2,36,031	1,94,860
Electricity Expense Office	22,867	5,215
Freight Outward	19,16,341	23,75,047
Legal & Professional Fees	20,370	1,38,189
Travelling Expenses & Conveyance	26,77,448	14,87,773
Vat, Excise and Service Tax Expenses	3,08,612	1,48,714
Office Expenses	16,99,467	13,58,472
Sundry Balances Written Off	-	4,70,997
Provision for Doubtful Debts	72,62,598	19,68,513
Foreign Exchange Gain/(Loss) (Net)	-	42,695
Sales Promotion Expenses	16,49,828	-
Total	6,01,39,721	4,81,40,384

Note:1

Payments to the auditors comprises (net of service tax input credit, where applicable):

As auditors - statutory audit	85,000	85,000
For taxation matters	20,000	20,000
For other services		
Total	1,05,000	1,05,000



32. CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31st Mar 2019 (in Rs)	As at 31st Mar 2018 (in Rs)
Contingent Liabilities		
- Disputed Income Tax Demand Matter under Appeal	17,60,270	17,60,270
Guarantees given by Bankers on behalf of company	2,18,24,651	2,40,92,200

Note:

a) It is not practicable for the company to estimate the timings of cash outflows, if any in respect of the above, pending resolution of the respective proceedings as it is determinable on receipt of judgements/decisions pending with various forms/authorities.

b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

c) There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated 28th February 2019. The company has initiated the process of evaluating the impact of said judgement, if any, on its financials. Due to various complexities involved presently in ascertaining the impact, the company is not able to reliably estimate the quantum of provision, if any, required to be made as at 31st March 2019. The company will make necessary provision, if any, on receiving further clarity on the subject and on completion of its impact evaluation process on the matter.

33. EMPLOYEE BENEFITS

A) Defined Contribution Plan:

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Recognised as Expense and included in the Note 26 of Profit and Loss A the head Contribution to Provident and Other funds.	4,86,230	4,09,788

B) Defined Benefit Plan:

The Gratuity liability & liability in respect of Leave Encashment is determined based on the Actuarial Valuation done by Actuary as at balance sheet date in context of the revised As-15 issued by the ICAI, as follows:-

Particulars	Gratuity	
	As at 31st Mar 2019	As at 31st Mar 2018
Current Service Cost		
Interest Cost	1,22,665	1,16,206
Expected Return on Plan Assets	64,324	50,158
Net Actuarial (Gains) / Losses		-
Past Service Cost		
Settlement Cost		46,435
Total Expenses	1,86,989	2,12,799
Net Asset / (Liability) recognized in the Balance Sheet :-		
Change in Obligation during the Year :-		
Present value of Defined Benefit Obligation at beginning of the year	8,57,650	6,96,476
Prior Year Charge		
Current Service Cost	1,22,665	1,16,206
Interest Cost	64,324	50,158
Actuarial (Gains) / Losses	-28,336	1,36,032
Liabilities extinguished on settlement		
Benefits Paid	-72,692	-1,87,657
Benefits Payable		
Present value of Defined Benefit Obligation at the end of the year	9,43,611	8,57,650
Net liability recognised on 31.03.2019		
Define benefit obligation as on 31.03.2019	9,43,611	8,57,650
Fair value of plan asset as on 31.03.2019		-
Present value of unfunded obligation as on 31.03.2019	9,43,611	8,57,650
Actuarial Assumptions:	As at 31st March, 2019	
Discount Rate	7.50%	
Mortality	Indian assured lives mortality(2006-08)	
Withdrawal rate	5% at younger ages reducing to 1% at older ages	
Rate of escalation in salary (p.a.)	5.50%	
Retirement Age	60 Years	
Actuarial Valuation Method	Projected Unit Cost Method	



34. As per the informations given by the management the Company has only one reportable business segment. And hence segment wise information is not given

35. EARNING PER SHARE

Particulars	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Basic & Diluted Earning Per Share (Before and after extraordinary items)		
a) Profit for Basic Earning Per Share as per Statement of Profit and Loss	-57,59,196	47,98,909
b) Number of equity shares at the beginning of the year	1,90,500	1,90,500
c) Weighted average number of equity shares	1,90,500	1,90,500
d) Earning Per Share (Basic & Diluted)	-30.23	25.19
f) Face Value per Share	10	10

36. CIF VALUE OF IMPORTS

Particulars	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Raw Material	42,31,841	55,90,174

37. RELATED PARTY TRANSACTIONS

A) Name of the related parties and nature of relationships :

- a) **Holding Company**
Transformers and Rectifiers (India) Limited
- b) **Associates**
Transweld Mechanical Engineering Works Limited
Transpares Limited
- c) **Relative of Key Management Personnel**
Mr. Mohnish Jain
- d) **Key management Personnel**
Mr Sunil Jain
Aakanksha Mamtara
Mahendra Vyas
- e) **Enterprise over which Key Managerial Personnel is able to exercise significant influence**
Benchmark HR Solutions (India) Private Limited

Note: Related Parties have been identified by the management



B) Nature of transactions :

Particulars	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
Service Rendered		
Transformers and Rectifiers (India) Limited	40,54,171	9,21,608
Transweld Mechanical Engineering Works Limited		15,96,310
Service Received		
Transweld Mechanical Engineering Works Limited	1,01,848	7,47,116
Transformers and Rectifiers (India) Limited	29,27,434	11,80,803
Mr. Mohnish Jain	2,14,000	2,04,000
Sale of Finished Goods		
Transformers and Rectifiers (India) Limited	15,88,78,882	19,79,46,063
Transweld Mechanical Engineering Works Limited	73,23,880	1,22,17,219
Purchase of Materials		
Transformers and Rectifiers (India) Limited	1,16,81,483	25,98,249
Transweld Mechanical Engineering Works Limited	1,23,32,168	79,20,302
Transpares Limited		
Purchase of Capital Goods		
Transformers and Rectifiers (India) Limited	6,05,305	-
Transweld Mechanical Engineering Works Limited	1,24,982	9,44,000
Consultancy Charges & Reimbursement of Expenses		
Transweld Mechanical Engineering Works Limited	6,34,862	
Loan Received		
Transformers and Rectifiers (India) Limited		
Interest paid	77,50,036	77,50,037
Balance Outstanding	6,47,61,114	6,47,61,114
Loan to Whole Time Director		
Mr Sunil Jain	12,60,000	11,40,000
Remuneration		
Mr Sunil Jain	19,83,714	18,89,324
Due From		
Transweld Mechanical Engineering Works Ltd	92,52,916	-
Due To		
Transformer & Rectifiers (India) Ltd	9,04,87,095	5,76,42,433
Transweld Mechanical Engineering Works Ltd		34,26,918

38. EARNINGS IN FOREIGN EXCHANGE (ACCRUAL BASIS)

Particulars	Year Ended on 31st Mar 2019	Year Ended on 31st Mar 2018
a) Export of goods calculated on F.O.B. basis	66,840	60,674

39. Balance of Trade Receivables, Payables and Loans and Advances are subject to Confirmation from respective parties

40. In the opinion of the board, Current asset, loans and advances are approximately of the values stated, if realised in the ordinary course of business.

41. Previous year's figures have been regrouped reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

42. Inventories are as taken, valued and certified by a Director



43. Value of Imported And Indigenous - Materials Consumed And Percentage Thereof

Raw Materials	Year Ended on 31st Mar 2019		Year Ended on 31st Mar 2018	
	Value (Rs)	%	Value (Rs)	%
a) Imported	42,31,841	2	55,90,174	4
b) Indigenous	17,57,33,425	98	14,01,97,197	96
TOTAL	17,99,65,266	100	14,57,87,371	100

44. In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31st March, 2018.

45. Eligibility of Corporate Social Responsibility

Based on the average net profits of the Company after computation of Net Profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years, the Company is not required to spend any amount on CSR activities during the financial year 2017-18.

46. The value of realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

47. The Company has a system of physical verification of Inventory in a phased manner to cover all items on a quarterly basis. Adjustment differences, if any, are carried out on completion of reconciliation.

48. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

49. IND AS 115- Illustrative disclosures

The Company has recognised the following amounts relating to revenue in the statement of profit or loss:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from contracts with customers	23,36,76,937	24,67,32,949
Total revenue	23,36,76,937	24,67,32,949

The Company has elected to adopt Ind AS 115 using the Modified Retrospective Method by not restating the comparative information.

(a) Disaggregation of revenue from contracts with customers

The Company's operations fall under single segment namely "Parts of Transformers and Power Project Equipments", taking into account the risks and returns, the organization structure and the internal reporting systems.

All assets are located in the Company's country of Domicile.

As per Ind AS 115 - Revenue is recognized at the point in time.

Segment revenue from "Parts of Transformers and Power Project Equipments" represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from		
- Outside India	66,840	60,674
- In India	23,36,10,097	24,66,72,275

Company's significant revenues (more than 60%) are derived from major 2 entities. The total revenue from such entities amounted to Rs. 1973.83 Lakhs in 2018-19 and Rs.1637.72 lakhs in 2017-18.



Performance obligations

Sale

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 1 to 9 months from delivery. The performance obligation to deliver the transformer with a manufacturing lead time of 4 to 8 months has a single payment option. The customer can pay the transaction price upon delivery of the transformer within the credit period, as mentioned in the contract with respective customer. An advance of not more than 20% is taken from the customers. In contracts, a 2 or 3 years warranty is provided to all the customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over 2 or 3 years based on time elapsed.

Installation services

The performance obligation is satisfied at the point in time and payment is generally due upon completion of installation and acceptance of the customer.

50. Financial Instruments Disclosure

(a) Capital Management

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other shareholders
- Maintain an optimal capital structure to reduce the cost of capital.

The company's board of directors review the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4(l), (m), (n) and (o).

(i) Categories of Financial Instruments

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	7,45,37,195	4,49,82,772
(ii) Cash and Cash Equivalents	65,288	41,935
(iv) Loans	15,95,231	13,35,380
(v) Other Financial Assets		
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	10,24,49,156	8,13,45,137
(ii) Trade Payables	-	-
(iii) Other Financial Liabilities	2,87,318	2,22,609
Financial Guarantee Obligation		

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

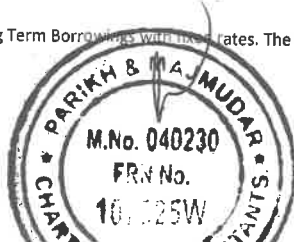
Market Risk

Market risk is the risk of uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency risk and interest rate risk.

The primary commodity price risk that the company is exposed to include the price variations in the price of Iron, Steel, valves & vacuum pumps. The mentioned components form a major part of manufacturing of Parts of Transformers, Vapour Phase Srying plants & Vacuum Drying Plants. The prices of these commodities lead to increase/ decrease in the cost of parts of Transformers, Vapour Phase Drying plants & Vacuum Drying Plants.

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.



Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2019				
Borrowings	3,76,88,042			3,76,88,042
Trade Payables				
Other Financial Liabilities	11,52,00,007			11,52,00,007
Total	15,28,88,048			15,28,88,048
As at 31st March, 2018				
Borrowings	1,65,84,023	79,99,279	5,67,61,821	8,13,45,123
Trade Payables				
Other Financial Liabilities	2,22,609			2,22,609
Total	1,68,06,632	79,99,279	5,67,61,821	1,68,06,632

Credit Risk

The Company's customer profile include Holding Company and Industries. Accordingly, the Company's customer credit risk is moderate. The Company's average project execution cycle is around 4 to 12 months. General payment terms include advance, a credit period of on an average of 180 days and certain retention money to be released at successful completion of the order. In some cases retentions are substituted with bank/ corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2019				
Loans to Employees	6,35,231	3,00,000	6,60,000	15,95,231
Trade Receivables	7,45,37,195			7,45,37,195
Other Financial Assets				
Total	7,51,72,426	3,00,000	6,60,000	7,61,32,426
As at 31st March, 2018				
Loans to Employees	4,95,380	3,00,000	5,40,000	13,35,380
Trade Receivables	4,49,82,772			4,49,82,772
Other Financial Assets				
Total	4,49,82,772	3,00,000	5,40,000	4,63,18,152

Significant accounting policies -1

Notes forming part of financial statement 1 to 50

As per our attached report of even date

For Parikh and Majumdar
Chartered Accountants
Registration No : FRN 107525W

CA Dr. Hiten Parikh
Partner
M. No. 040230

Place : Ahmedabad
Date: 18th May 2019



For and on behalf of the Board

Savas Engineering Company Private Limited

Sunil Jain
Director
DIN : 01732987

Place : Ahmedabad
Date: 18th May 2019

Mahendra Vyas
Director
DIN 00797484