
ISGEC HEAVY ENGINEERING LIMITED



**Reports and Accounts for the period ended
31st March, 2014**

ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Directors

Mr. Vinod K. Nagpal
Mr. Tahir Hasan
Mr. Vinod Kumar Sachdeva
Mr. Arun Kathpalia

Whole-time Director

Mrs. Nina Puri

Managing Director

Mr. Aditya Puri

Chairman

Mr. Ranjit Puri

Audit Committee

Mr. Vinod K. Nagpal - Chairman
Mr. Arun Kathpalia
Mr. Aditya Puri

Executive Director & Company Secretary

Mr. S.K. Khorana

Bankers

State Bank of Patiala
Standard Chartered Bank
State Bank of India
Corporation Bank
Punjab National Bank
The Hongkong & Shanghai Banking Corporation Ltd.
ICICI Bank Ltd.
State Bank of Mysore
Citi Bank N. A.
ING Vysya Bank Ltd.
State Bank of Hyderabad
HDFC Bank Ltd.
Yes Bank Ltd.
IndusInd Bank Ltd.
Export Import Bank of India

Registered Office

Radaur Road,
Yamunanagar-135001
Haryana.

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Directors' Report

1.00 The Directors hereby present their Report for the period ended March 31, 2014. The report is for six months period, as the Company, in view of the provisions of the Companies Act, 2013, changed the accounting year so as to close it on 31st March in place of 30th September.

2.00 FINANCIAL RESULTS:

2.01 The Financial Results for the period are given below:

	(₹ in lacs)
Profit before Depreciation	9,812.66
Depreciation	2,786.79
Profit before Taxes	7,025.87
Less: Provision for Tax (including deferred tax)	2,400.64
Profit after taxes and available for appropriations	4,625.23
Less: a) Proposed Dividend ₹7/-per Equity Share of ₹10/-each	514.71
b) Tax on Dividend	87.47
c) Transfer to Capital Redemption Reserve	1.66
d) Paid for Buyback of Equity Shares	145.98
e) Transfer to General Reserve	462.52
Balance carried to Profit & Loss Account	3,412.89

3.00 DIVIDEND:

3.01 The Board has recommended Dividend of ₹7/- per Equity Share of ₹10/- each.

4.00 OPERATIONS:

4.01 Economic conditions continue to be depressed both in India and overseas. The Company, however, due to its intensive efforts in marketing, technology up-gradation and cost control, has been able to achieve reasonable growth.

4.02 The order booking at the close of the period was at record level yet again.

4.03 All the Divisions continue to focus on the export market. In addition to booking repeat orders from the existing customers, the Company has extended its reach to new countries and new customers.

4.04 The Boiler Division of the Company, has ventured into new products such as Heat Recovery Steam Generators, Waste Heat Recovery Boilers and Pin Hole Grate Boilers. The Division has also ventured into Repair & Maintenance business for the first time.

4.05 The first domestic order for Pulverized Coal fired Boiler is likely to be commissioned on time.

4.06 Similarly, the first Electrostatic Precipitator designed in accordance with the technology acquired from Envirotherm GmbH, Germany, will start operating shortly.

4.07 The domestic market for the Sugar Machinery Division continues to be bad. The Division could maintain its market share. The Division succeeded in booking large orders from the overseas market.

4.08 The Division successfully commissioned its largest Sugar Mills of the size of 1150 mm x 2290 mm (45" x 90"). The Division also successfully commissioned a sugar refinery for the first time during the period and also secured a further order for a sugar refinery.

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- 4.09 After setting up many Turnkey Power Plants based on coal, the Engineering Procurement & Construction Division of the Company has, in consortium with Hitachi Zosen Limited, Japan, secured its first order for Waste to Energy Power Plant Project.
- 4.10 The Automobile and Automobile Components manufacturing sector, major consumer of Presses produced by the Machine Building Division, faced further slowdown during the period. This affected the order booking of this Division.
- 4.11 The Division has established itself successfully in the business of high end Transfer Presses in the overseas market. This year the Division was successful in getting orders for such Transfer Presses from the Indian market also.
- 4.12 A prototype Vertical Turning Lathes was successfully manufactured in accordance with drawings and the brand "Morando" bought by the Company. The machine is being shown to various customers and the Company is hopeful to have breakthrough in this activity.
- 4.13 In the last year's Directors' Report of the Company the Directors stated that the Process Equipment Division secured orders for Feed Water Heaters & Surface Condensers and Breach Lock Exchangers. These orders are under advanced stage of completion and the Division hope to supply these equipments on time.
- 4.14 Securing these orders has helped diversify the activities of this Division to the Power Sector and has compensated for the depressed conditions in the Refining and Petrochemical Sectors.
- 4.15 The Container sub-division of the Process Equipment Division has had a record billing and order booking during the period including large export orders.
- 4.16 Consequent to the slowdown in the market for large power plants, the Isgec Casting Unit which used to supply significant portion of its output to Turbine manufacturers, suffered badly. The Unit diversified into new products, such as castings for Pumps and Valve Sectors. Very lately the Unit has secured good orders and the order book is satisfactory. The future, however, remains uncertain.
- 5.00 **ISGEC HITACHI ZOSEN LIMITED (IHZL) (JOINT VENTURE SUBSIDIARY COMPANY):**
- 5.01 The order book of the Joint Venture Company is healthy. The Company manufactures products having long manufacturing cycle. Consequently, a number of orders booked in the previous year will be delivered in the current financial year. Therefore, the financial results of the Joint Venture Company for the current financial year are likely to be good.
- 5.02 The expansion scheme to increase the capacity of the Plant from 8,000 MT per year to 13,000 MT per year will be completed on time shortly.
- 6.00 **SARASWATI SUGAR MILLS LIMITED (SUBSIDIARY COMPANY):**
- 6.01 The operations of the factory were satisfactory.
- 6.02 The crushing for the season 2013-14 started on 26th November 2013 and finished on 21st April 2014. The cane crushed was at 129.39 lakh quintals against 121.65 lakh quintals crushed in the preceding season. The recovery was the same as last year and was the highest in the Northern India.
- 6.03 As reported in the last year's Directors' Report, the State Government increased the State Advised Prices of sugarcane steeply by ₹ 25/- per quintal, as compared with the preceding season.
- 6.04 As mentioned in the last year's Directors' Report, the Release Mechanism for sale of sugar was discontinued. The sugar mills are, therefore, free to sell as much sugar as they wish. During the period under report, in view of expected higher production, the mills resorted to more sale during the period under report on the belief that sugar prices may decline in the subsequent months. Further the sugar mills in the neighbouring Uttar Pradesh, in order to improve cash flow to clear sugarcane arrears, sold higher quantity of sugar. These factors resulted in steep decline of sugar price.
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- 6.05 In view of higher sugarcane prices and lower sugar prices, the financial results were affected very adversely.
- 6.06 As for next season 2014-15, the preliminary survey indicated that subject to climatic conditions, the cane availability will be close to the cane crushed during the season 2013-14.
- 7.00 INDUSTRIAL RELATIONS:**
- 7.01 Industrial relations remained peaceful.
- 8.00 CONSOLIDATED FINANCIAL STATEMENTS:**
- 8.01 The consolidated financial statements are attached hereto.
- 9.00 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 217(1) OF THE COMPANIES ACT, 1956:**
- 9.01 The statement giving the required information is annexed hereto.
- 10.00 PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975:**
- 10.01 Annexure giving certain details about the employees, in receipt of remuneration of not less than ₹ 60 lakhs during the year or ₹ 5 lakhs per month during any part of the year, is not annexed with the Directors' Report. In accordance with Section 219(1)(b)(iv) of the Companies Act, the Annexure is available for inspection by any member at the registered office of the Company during working hours, 21 days before the date of the AGM.
- 11.00 DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**
- 11.01 The Statement is annexed hereto.
- 12.00 MANAGEMENT DISCUSSION & ANALYSIS REPORT UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**
- 12.01 Management Discussion & Analysis Report is annexed hereto.
- 13.00 CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**
- 13.01 Report on Corporate Governance is annexed hereto.
- 14.00 FIXED DEPOSITS:**
- 14.01 The amount of deposit with the Company, as at March 31, 2014, was well within the limits prescribed under the provisions of the Companies Act. 116 depositors of the Company had, as on March 31, 2014, not claimed their deposits upto the due dates for repayment. The amount involved was ₹ 64.27 lakhs.
- 15.00 SUBSIDIARY COMPANIES:**
- 15.01 The audited statements of the subsidiary companies along with the report of the Board of Directors and the Auditors and other statements are not attached and the Company has availed exemption allowed by the Government of India, Ministry of Corporate Affairs, vide its General Circular No. 2/2011 - file no. 51/12/2007-CL-III dated 8th February, 2011, under Section 212(8) of the Companies Act, 1956.
- 15.02 The Company has made disclosure in the consolidated balance sheet the following information in aggregate for each subsidiary as per condition of the aforesaid Circular:-
- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.
- 15.03 Annual accounts of the subsidiary companies are kept for inspection by any shareholders at the registered office of the holding company as well as at the registered office of the subsidiary companies.
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15.04 Hardcopy of the details of accounts of the subsidiaries shall be furnished to any shareholder on demand.

16.00 PERSONNEL:

16.01 The Board wishes to express their appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year.

17.00 ACKNOWLEDGEMENT:

17.01 Your Directors take this opportunity to thank the Financial Institutions, Banks, Government Authorities, Regulatory Authorities, Stock Exchanges and the Shareholders for their continued co-operation and support to the Company.

17.02 With these remarks, we present the Accounts for the six months period ended March 31, 2014.

By order of the Board

Vinod K. Nagpal
Director

Aditya Puri
Managing Director

Dated: 26th May, 2014

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

(a, b & c) Energy Conservation Measures taken, Proposed and Impact of Measures taken:

Efforts for energy conservation are a continuing process. These efforts continued in 2013-14 also.

(d) Total energy consumption and energy consumption per unit of production.

These are detailed in Form 'A' enclosed.

B. TECHNOLOGY ABSORPTION:

(e) Efforts made in Technology Absorption:

These are detailed in Form 'B' enclosed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(f) Activities relating to export, initiative taken to increase exports, development of new export market for products and services and export plans.

Please refer to paragraphs 4.03, 4.04 and 4.16 of the Directors' Report.

(g) Total Foreign Exchange used and earned (for the period ended March 31, 2014):

(₹ in crores)

- Total Foreign Exchange earned	:	488.93
- Total Foreign Exchange used	:	227.08

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Six months ended 31.03.2014	Previous year ended 30.09.2013
(A) Power & Fuel Consumption :-		
1 Electricity		
(a) Purchased (Units)	(KWH)	43,12,320
Total Amount	(Rupees)	3,93,74,109
Cost / Unit	(₹ Per Unit)	9.13
(b) Own Generation (Units)	(KWH)	62,080
(Through Diesel Generator)		2,78,319
Unit per Litre of Diesel Oil	(Units)	3.62
Cost / Unit	(₹ Per Unit)	15.85
2 Other		
(a) Hard Coke		
Quantity	(Tonnes)	11.799
Total Cost	(Rupees)	1,62,820
Average Rate	(₹ Per Tonne)	13,799
(b) Furnace Oil		
Quantity	(Litres)	5,91,201
Total Cost	(Rupees)	2,58,53,292
Average Rate	(₹ Per Litre)	43.73
(c) High Speed Diesel Oil		
Quantity	(Litres)	44,596
Total Cost	(Rupees)	25,63,936
Average Rate	(₹ Per Litre)	57.49
(B) Consumption Per Unit Production :-		
1 Ingots		
(i) Production	(Tonnes)	150.160
(ii) Electricity Per M.T.	(KWH)	699
2 Castings		
(i) Production	(Tonnes)	1,537.717
(ii) Electricity Per M.T.	(KWH)	1453

Reasons for variance in the consumption of power & fuel from previous year :-

- (a) Electricity purchase cost per unit is higher due to revision in tariff.
- (b) In case of own generation, cost per unit is higher due to increase in rate of Diesel.
- (c) Power consumption per MT of Castings & Ingots is lower as a result of energy saving initiatives undertaken during the period.

FORM -B

FORM FOR DISCLOSURE OF PARTICULARS IN RESPECT OF TECHNOLOGY ABSORPTION DURING SIX MONTHS ENDED 31ST MARCH 2014.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- I. The Company continues to supply equipments covered under the following Technology Agreements
1. With Foster Wheeler North America Corp:
 - (i) For Circulating Fluidized Bed Combustion (CFBC) Boilers upto 99.9 Mwe;
 - (ii) For Oil & Gas, Shop Assembled Water Tube Packaged Boilers upto 260 Tonnes per hour;
 - (iii) For Pulverized Coal Fired Sub-Critical Boilers and Super-Critical Boilers (60 Mwe to 1000 Mwe);
 - (iv) For Feed Water Heaters and Surface Condensers.
 2. With BOSCH Projects, South Africa, for transfer of technology for manufacture of Chainless Cane Diffusers and other sugar machinery equipments.
 3. With Envirotherm GmbH, Germany, for manufacture of Electrostatic Precipitators (ESP) upto 1000 Mwe.
 4. With Hitachi Zosen Corporation, Japan, for critical equipments for Fertilizer and Oil & Gas Sectors with their back-up for engineering and supervision during manufacturing in India.
 5. With Belleli, Italy, for manufacture of Breech Lock Exchangers.
- II The adaptation and absorption of technology under the aforesaid Agreements has been satisfactory.
- III During the period under report, the Company signed Co-operation Agreement with M/s. NEM Energy b.v., Netherlands, for design, fabrication and installation of Drum type Heat Recovery Steam Generators.

Directors' Responsibility Statement under Section 217 (2AA) of the Companies Act, 1956

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that:

- (i) in the preparation of the Accounts for the period ended March 31, 2014, the applicable Accounting Standards have been followed and there are no material departures,
 - (ii) they have selected such accounting policies with the concurrence of the Statutory Auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year,
 - (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
 - (iv) they have prepared the Accounts on a going concern basis.
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Management Discussion & Analysis

1. There was growth in turnover, revenue, margins and order bookings during the period.
 2. Input prices remained stable during most of the period. They have started to go up during the last few months.
 3. The expected increase in the industrial activity, due to the new Government taking over, is likely to benefit the Company. The appreciation of Indian currency will, however, affect the competitiveness of the Company in exports which now form a significant portion of its turnover.
 4. The Management continues to make aggressive efforts to up-grade technology and diversify the activities of various Units.
 5. Certain businesses may continue to be affected due to severe slowdown in sectors such as Automobile, Oil & Refinery and Power sectors.
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Report on Corporate Governance

1. **A brief statement on Company's philosophy on code of governance:**

Clause 49 of the Listing Agreement with Stock Exchanges set the benchmark compliance rules for a listed company and the baseline for governance standards. The Company adheres to the prescribed corporate practices as per Clause 49. It also follows transparency in business dealings, timely disclosures, effective internal and external communications.

2. **Board of Directors:**

i. Composition:

As on 31st March, 2014, the Board of Directors comprises of a Non-Executive Chairman, two Executive Directors and four Non-Executive Independent Directors.

ii. Attendance of each Director at the Board Meetings and at the last Annual General Meeting, and

iii. Number of other Boards or Board Committees in which he/she is a Member or Chairman:

Name of the Director	No. of Board Meetings attended	Whether attended the last Annual General Meeting	Directorships in other companies as disclosed			
			Public	Private	Committee Membership	Committee Chairmanship
Non-Executive Chairman & Promoter						
Mr. Ranjit Puri	3	Yes	4	-	1	-
Executive Directors & Promoters						
Mr. Aditya Puri, Managing Director	3	Yes	8	-	1	-
Mrs. Nina Puri, Whole-time Director	1	No	1	-	-	-
Non-Executive Independent Directors						
Mr. Vinod K. Nagpal	3	Yes	1	3	-	1
Mr. Tahir Hasan	2	No	3	2	-	1
Mr. Arun Kathpalia	2	No	1	2	-	-
Mr. Vinod Kumar Sachdeva	3	Yes	2	-	-	-

iv. Number of Board Meetings held and dates on which held:

During the period from 1st October, 2013 to 31st March, 2014 ("the period"), three Board Meetings were held as under:-

- November 23, 2013
- January 18, 2014
- February 11, 2014

3. **Audit Committee:**

i. **Brief description of terms of reference:**

The Board, as required under section 292A of the Companies Act, 1956 has laid down terms of reference, which briefly are:-

- To discuss with Auditors (a) Internal Control System and suggest modification, and (b) scope of audit including observations of audit;
- To review Quarterly, Half Yearly, and Annual Financial Statements;
- To ensure compliance of Internal Controls;
- To discuss with Internal Auditor (a) Periodical Reports and (b) Scope of internal audit.

In addition, the Audit Committee keeps in view its role as provided under Clause 49 of the Listing Agreement including review of financial statement of material unlisted subsidiary company.

ii. **Composition, Name of Members and Chairman:**

S. No.	Name of the Committee Member	Position	No. of Meetings attended
1.	Mr. Vinod K. Nagpal	Chairman	2
2.	Mr. Arun Kathpalia	Member	2
3.	Mr. Aditya Puri	Member	2

Mr. S.K. Khorana, Company Secretary, is the Secretary of the Audit Committee.

iii. **Meetings and attendance during the period:**

During the period two meetings of the Audit Committee were held as under:-

- November 23, 2013
- February 11, 2014

Detail of attendance by each Member is given in the above table.

4. **Remuneration Committee:**

i. **Brief description of Terms of Reference:**

The Remuneration Committee reviews and recommends remuneration of Executive Directors as and when required.

ii. **Composition, Name of Members and Chairman:**

S. No.	Name of the Committee Member	Position	No. of Meetings attended
1.	Mr. Arun Kathpalia	Chairman	-
2.	Mr. Vinod K. Nagpal	Member	-
3.	Mr. Tahir Hasan	Member	-

All the members of Remuneration Committee are Independent Directors. Mr. S. K. Khorana, Company Secretary is the Secretary of the Remuneration Committee.

iii. **Attendance during the period:**

During the period, no meeting of the Remuneration Committee was required to be held.

iv. **Remuneration policy:**

Remuneration to Executive Directors is in accordance with the limits prescribed under the Companies Act, 1956.

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v. Details of remuneration paid to Directors:

Details are given in 'Note no. 28.1 of Notes on Financial Statements'.

vi. Details of Remuneration paid to Non-Executive Directors:

Sl.No.	Name of Director	Nature of Payment & Amount (₹)		Total Amount (₹)
		<u>Remuneration</u>	<u>Sitting Fees*</u>	
01.	Mr. Vinod K. Nagpal	12,500	52,949	65,449
02.	Mr. Tahir Hasan	12,500	20,534	33,034
03.	Mr. Ranjit Puri	12,500	31,339	43,839
04.	Mr. Arun Kathpalia	12,500	42,144	54,644
05.	Mr. Vinod Kumar Sachdeva	12,500	31,339	43,839
			Total	2,40,805

*Sitting Fees are inclusive of service tax.

5. **Shareholders/ Investors Grievance Committee:**

i. Composition, Name of Members and Chairman:

S. No.	Name of the Committee Member	Position
1.	Mr. Ranjit Puri	Chairman
2.	Mr. Vinod Kumar Sachdeva	Member

ii. Name and designation of Compliance Officer:

Mr. S.K. Khorana, Company Secretary.

iii. Number of Shareholders' complaints received:

One.

iv. Number of complaints not solved to the satisfaction of Shareholders:

Nil.

v. Number of pending complaints:

Nil.

6. **Subsidiary Company:**

The Company has a material unlisted subsidiary company namely Saraswati Sugar Mills Limited. Mr. Tahir Hasan, Independent Director is also Director of the material unlisted subsidiary company in compliance with clause 49 of the Listing Agreement.

7. **General Body Meetings:**

i. Location and time of last three Annual General Meetings (AGM) held:

Date	Location	Time
February 25, 2012	Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, (Haryana)	12:00 Noon
February 9, 2013		12:00 Noon
February 11, 2014		12:00 Noon

ii. Whether any Special Resolution passed in the previous three AGM:

Yes. Special Resolutions regarding re-appointment of Mrs. Nina Puri as Whole-time Director and remuneration to Non-executive Directors were passed in the AGM held on February 25, 2012 and February 11, 2014 respectively.

iii. Whether any Special Resolution passed last year through postal ballot – details of voting pattern:

No.

iv. Person who conducted the postal ballot exercise:

Not applicable.

v. Whether any Special Resolution is proposed to be conducted through postal ballot:

No.

vi. Procedure for Postal Ballot:

Not applicable.

8. **Disclosures:**

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large:

Nil.

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Delhi Stock Exchange or Bombay Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None.

iii. Code of Conduct for Directors and Senior Executives:

The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of Conduct is available on the Company's website www.isgec.com. The Managing Director has given a declaration that all the Directors and concerned Executives have affirmed compliance with the Code of Conduct.

iv. CEO/ CFO certification:

A certificate, duly signed by the Managing Director and Executive Director (Chief Financial Officer) & Company Secretary relating to financial statements, internal controls and internal control systems for financial reporting as per the format provided in Clause 49(V) of the Listing Agreement, was placed before the Board, who took the same on record.

v. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

Complied with all mandatory requirements as detailed above.

9. **Means of Communication:**

i. Financial Results:

Yes. Published in Newspaper.

- ii. Newspapers wherein results normally published:
 - (a) Business Standard (English) and
 - (b) Vir Arjun (Hindi) or Hari Bhoomi (Hindi).
- iii. Any website, where displayed:
 - (a) On Company's website : www.isgrec.com
 - (b) On SEBI's website: www.corpfilings.co.in
 - (c) On BSE's website: www.bseindia.com
- iv. Whether it also displays official news releases:

There was no official news release.
- v. The presentations made to institutional investors or to the analysts:

No presentation was made to institutional investors or to the analysts.

10. **Shareholding of Non-executive Independent Directors:**

Sl. No.	Name of Directors	Number of Shares held
01.	Mr. Vinod K. Nagpal	810
02.	Mr. Tahir Hasan	1640
03.	Mr. Arun Kathpalia	120
04.	Mr. Vinod Kumar Sachdeva	390

11. **General Shareholder information:**

- i. Annual General Meeting date, time and venue:

Annual General Meeting will be held on August 4, 2014 at 11:00 A.M. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar- 135001, Haryana.
- ii. Financial Year:

1st October, 2013 to 31st March, 2014.

Note:

The financial year has been changed so as to close on 31st March in place of 30th September. The financial year to which this Corporate Governance Report relates closed on 31st March, 2014 and is less than a calendar year.
- iii. Dates of Book closure:

From July 25, 2014 to August 4, 2014 (both days inclusive).
- iv. Dividend Payment Date:

By August 9, 2014.
- v. Listing on Stock Exchange:

Listed on Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE).
- vi. Stock Code

The Stock Code Number is ISIN - INE858B01011.

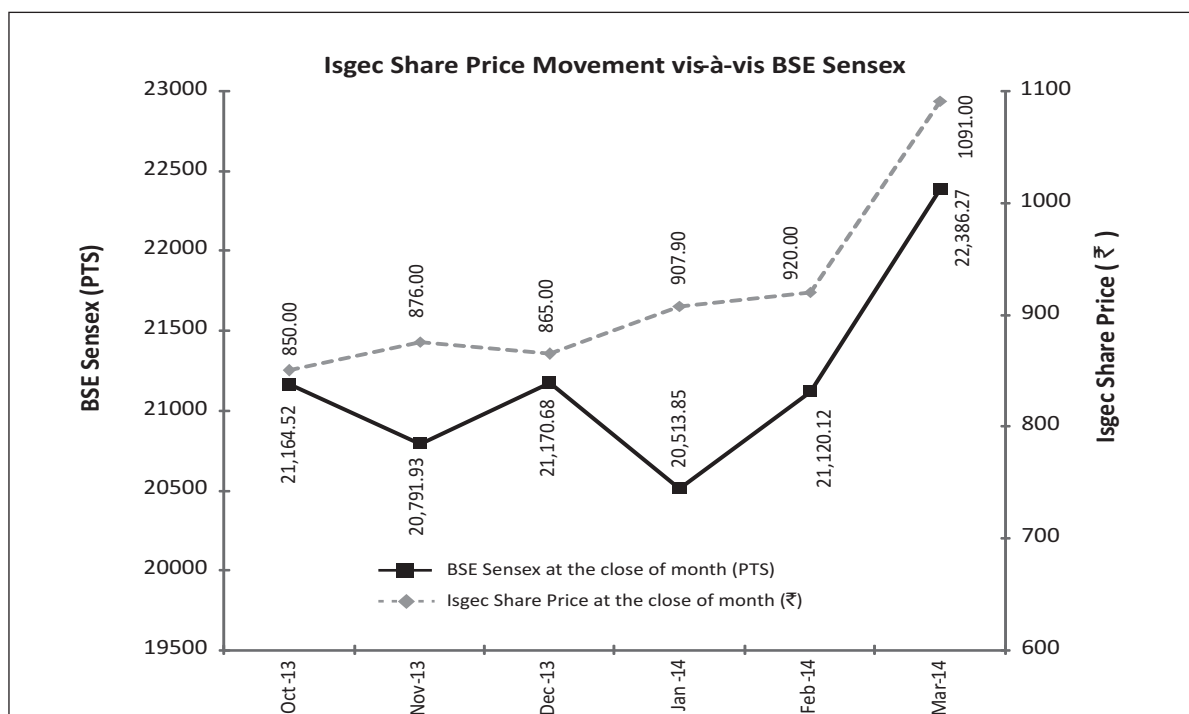
Bombay Stock Exchange has allotted scrip name as ISGEC and scrip code as 533033.

vii. Stock Market Price Data: High and Low during each month in the period on BSE and DSE:

Month	Bombay Stock Exchange	
	Highest (₹)	Lowest (₹)
October, 2013	880.00	810.45
November, 2013	936.75	850.00
December, 2013	945.00	850.00
January, 2014	969.90	783.00
February, 2014	970.00	858.00
March, 2014	1148.00	890.00

As there was no trading on DSE, quotations were not available for the period ended on 31st March, 2014.

viii. Share Price Performance in comparison to BSE Sensex:



ix. Registrar and Transfer Agents:

M/s. Alankit Assignments Limited, 'Alankit House', 2E/21, Jhandewalan Extension, New Delhi - 110055.

Phone: +91-11-42541234, 23541234, Fax : +91-11-41540064,

Email: alankit@alankit.com

x. Share Transfer System:

The share transfers are attended, registered and returned within 30 days from the date of receipt, if the documents are in order in all respects.

- xi. The Company ensured that its Registrar and Transfer Agent produces a half yearly certificate from the Company Secretary in Practice as required under clause 47(c) of the Listing Agreement and file a copy of the said Certificate with the Stock Exchanges.
- xii. There is no equity share lying in Equity Share Suspense account.
- xiii. Distribution of shareholding:

The Distribution of shareholding as on March 31, 2014 is

Shareholding of Nominal Value		Shareholders		Share Amount	
₹	₹	Number	% of Total	(In ₹)	% of Total
Up-to	5,000	4163	90.96	32,57,190	4.43
5,001 -	10,000	144	3.15	11,12,160	1.51
10,001 -	20,000	111	2.42	16,97,070	2.31
20,001 -	30,000	45	0.98	11,24,400	1.53
30,001 -	40,000	28	0.61	9,83,100	1.34
40,001 -	50,000	12	0.26	5,58,030	0.76
50,001 -	1,00,000	28	0.61	20,87,720	2.84
1,00,001	and above	46	1.01	6,27,09,840	85.28
TOTAL		4577	100.00	7,35,29,510	100.00

Shareholding pattern as on March 31, 2014:

<u>Category</u>	<u>No of Shareholders</u>	<u>No. of shares held</u>	<u>Percentage</u>
Promoters	5	45,68,785	62.14
FIs, Banks & Mutual Funds	8	4,137	0.06
Others (Public)	4,564	27,80,029	37.80

- xiv. Dematerialization of shares and liquidity:
88.31% of share capital has been dematerialized as on March 31, 2014.
- xv. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:
There is no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments and therefore there is no impact on equity.
- xvi. Compliance under Listing Agreement:
Company is regularly complying with the provisions of the Listing Agreement. Information, certificates and returns as required under Listing Agreement are sent to the Stock Exchanges within the prescribed time.
- xvii. Information on deviation from Accounting Standards, if any:
There has been no deviation from the Accounting Standards in preparation of Annual Accounts for the period ended 31st March, 2014.

xviii. Plant locations:

<u>Plant Location</u>	<u>Item of Manufacture</u>	<u>Address for correspondence</u>
a) Isgec, Radaur Road, Yamunanagar	Pressure Vessels & Heat Exchangers, Presses- Mechanical & Hydraulic, Boilers, Container, Castings, Sugar and other Industrial Machinery.	Radaur Road, Yamunanagar-135001 Haryana.
b) Isgec, Rattangarh, Yamunanagar	Pressure Parts for Water Tube Boilers	Rattangarh, Yamunanagar-135001, Haryana.
c) Isgec, Dahej	Pressure Vessels, Columns, Heat Exchangers and Boilers	13/B, G.I.D.C Industrial Estate, Dahej, Taluka- Vagara, Distt. Bharuch - 392 130, Gujarat.
d) Isgec, Muzaffarnagar	Castings - Steel & Iron	Village Nara, P.O. Mansurpur -251 203, Distt. Muzaffarnagar, U.P.
e) Isgec, Bawal	Standard Mechanical Presses and other Industrial Machinery	Plot No. 123, Sector-6, HSIIDC, Industrial Growth Centre, Bawal, Distt. Rewari-123501 Haryana.

xix. Engineering, Procurement & Construction Division:

<u>Name</u>	<u>Item</u>	<u>Address for correspondence</u>
a) Isgec Noida	Boilers	A-5 and A-7, Sector - 63, Noida - 201 301, U.P.
b) Isgec Noida	Sugar Machinery	A-4, Sector - 24, Noida - 201 301, U.P.

xx. Address for correspondence:

Corporate Office:

A-4, Sector - 24,
Noida - 201 301, U.P.
Tel. : +91-120-408 5001/ 5002
Fax.: +91-120-241 2250
e-mail: skkhorana@isgec.com

Registered Office:

Radaur Road,
Yamunanagar 135 001, Haryana.
Tel: 01732-307 611/ 614
Email : roynr@isgec.com

xxi. Details of the Director seeking appointment/re-appointment in Annual General Meeting to be held on August 4, 2014 (In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Ranjit Puri	Mr. Arun Kathpalia	Mr. Vinod Kumar Sachdeva
Date of Birth	04-03-1940	30-05-1963	02-12-1942
Date of Appointment	14-10-1981	31-01-2009	31-01-2009
Qualification	B.Sc. Industrial Management from Massachusetts Institute of Technology (USA)	B.A. (Hons.), LL.B.	B.Sc., B.E. (Mech.)
Board position held	Non-Executive Director and Chairman	Non-Executive Director	Non-Executive Director
Nature of his /her expertise in specific function areas	Managing Companies	Advocate	General Administration, Man Management & Manufacturing
Other Directorship	(i) The Yamuna Syndicate Limited (ii) Saraswati Sugar Mills Limited (iii) Jullundur Motor Agency (Delhi) Limited (iv) Isgec Engineering and Projects Limited	(i) AKM Systems Pvt. Ltd. (ii) R.S. Components & Controls (India) Ltd. (iii) Kasida Pvt. Ltd. (iv) Malnad Projects Pvt. Ltd.	(i) Isgec Covema Limited (ii) Isgec Exports Limited
Chairman/ Member of Committee of the Board of Companies of which he/she is a Director	(i) Saraswati Sugar Mills Limited -Audit Committee-Member (ii) Isgec Heavy Engineering Limited -Stakeholders Relationship Committee-Chairman (iii) Isgec Heavy Engineering Limited - Corporate Social Responsibility Committee- Chairman	(i) Isgec Heavy Engineering Limited -Nomination & Remuneration Committee- Member (ii) Isgec Heavy Engineering Limited -Audit Committee-Member	(i) Isgec Heavy Engineering Limited -Nomination & Remuneration Committee-Member (ii) Isgec Heavy Engineering Limited -Stakeholders Relationship Committee-Member (iii) Isgec Heavy Engineering Limited -Corporate Social Responsibility Committee-Member
Shareholding of Non-Executive Directors as stated in Clause 49 (IV)(E)(v)	6,59,201 shares 8.97%	120 shares 0.002%	390 shares 0.005%

Name of the Director	Mr. Vinod K. Nagpal	Mr. Tahir Hasan
Date of Birth	23-01-1948	21-07-1946
Date of Appointment	30-03-1996	29-01-2005
Qualification	B.Com, F.C.A	B.E. (Mech.)
Board position held	Non-Executive Director	Non-Executive Director
Nature of his /her expertise in specific function areas	Practicing Chartered Accountant	Industrialist, Managing Companies
Other Directorship	(i) The Yamuna Syndicate Limited (ii) The Lake Palace Hotels & Motels Pvt. Limited (iii) South Asia Consultants Pvt. Limited (iv) Calcon Consultants India Pvt. Limited	(i) Shervani Hospitalities Limited (ii) Saraswati Sugar Mills Limited (iii) Tara Products and Services Pvt. Ltd.
Chairman/ Member of Committee of the Board of Companies of which he/ she is a Director	(i) The Yamuna Syndicate Limited-Audit Committee-Chairman (ii) Isgec Heavy Engineering Limited-Audit Committee-Chairman (iii) Isgec Heavy Engineering Limited -Nomination & Remuneration Committee -Chairman	(i) Saraswati Sugar Mills Limited - Chairman, Audit Committee
Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (v)	810 shares 0.01%	1,640 shares 0.02%

Annual Declaration by Managing Director pursuant to Clause 49(1) (D) (ii) of the Listing Agreement

As required under Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchanges, I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the period ended March 31, 2014.

Dated: 26th May, 2014

Aditya Puri
Managing Director

Auditors' Certificate on Compliance of Corporate Governance Under Corporate Governance Clause of the Listing Agreement(s)

TO THE MEMBERS

ISGEC HEAVY ENGINEERING LIMITED

We have examined the compliance of conditions of Corporate Governance by **Isgec Heavy Engineering Limited, ('the company')** for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and Management of the Company, we certify that the Company has substantially complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Regn.No. 000756N
(K. K. TULSHAN)
Partner
Membership No. 085033

Dated: 26th May, 2014

INDEPENDENT AUDITORS' REPORT

To The Members of

Isgec Heavy Engineering Limited

Report on the Financial Statements

We have audited the attached financial statements of Isgec Heavy Engineering Limited, ("the Company") which comprises the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii) In the case of Statement of Profit and Loss, of the profit of the Company for the period ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of subsection(4A) of section 227 of the Companies Act,1956 , we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
- 2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S S Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

Place: Noida
Date: 26th May, 2014

(K K Tulshan)
Partner
Membership Number: 085033

Annexure to Independent Auditor's Report referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report on the financial statement of even date

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company are physically verified during the period by the management in accordance with a program designed to cover all assets except for certain building and vehicles situated in Pakistan (carrying value - ₹ 1) and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed-off by the Company.
 2. (a) The inventory has been physically verified during the period by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw material. Further, stock in the possession and custody of third parties and stock in transit as at 31st March, 2014 have been verified by the management with reference to confirmations or statement of accounts or correspondence of the third parties or subsequent receipt of goods. In our opinion, the frequency of such verification is reasonable.
 - (b) The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
 3. (a) The Company has granted unsecured loan to one of its subsidiary company listed in the register maintained under section 301 of the Companies Act, 1956. Apart from this loan, the Company has not granted any other loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding of this loan during the period is ₹ 3,350.50 lacs and the period end balance of such loan is ₹ 7.68 lacs.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loan is not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loan, we are informed that this is repayable on demand. The party is regular in payment of interest.
 - (d) In respect of the aforesaid loan, we are informed that there are no overdue amounts.
 - (e) The Company has taken unsecured loans of ₹ 0.66 lacs in the form of fixed deposits from one related party in earlier periods and outstanding at the beginning of the period, the terms & conditions of which are, prima facie, not prejudicial to the interest of the Company. Maximum amount outstanding during the period and the period-end balance of such loans is ₹ 0.66 lacs. There are no other loans, secured or
-

unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- (f) In our opinion, the rate of interest and other terms and conditions of such loans is not prima facie prejudicial to the interest of the Company.
 - (g) In respect of the aforesaid loan, there are no overdue amounts of principal and interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices were made available.
6. The Company has accepted deposits from the public within the meaning of section 58A and 58AA of the Act and the rules framed there under. In our opinion and according to the information and explanations given to us, the provisions of section 58A and section 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules, 1975 have been complied by the Company with respect to fixed deposits accepted from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost accounting records, maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales – tax, wealth – tax, service – tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales – tax, wealth – tax, service – tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except the following:
-

Name of Statute	Duty/Tax	Period	Forum where dispute is pending	Amount (in Lacs)
Central Excise Act	Excise Duty	1994-95	Hon'ble High Court, Allahabad	5.00
		1994-96	Tribunal New Delhi	8.00
		2002-10	CESTAT, New Delhi	53.25
Service Tax	Service Tax	2004-06	CESTAT, New Delhi	6.00
		2005-07	CESTAT, New Delhi	22.31
		2008-09	CESTAT, New Delhi	8.36
		2009-12	Commissioner Central Excise (Panchkula)	63.56
		2011-12	Commissioner Central Excise (Panchkula)	61.28
		2008-09	Commissioner, Central Excise (Vadodara)	60.31
		2008-13	Commissioner Central Excise (Panchkula)	36.97
Sales Tax Act	Sales Tax	1993-94	Sales Tax Tribunal, Orissa	9.02
		1995-96	Sales Tax Tribunal, Orissa	17.00
		1996-97	Sales Tax Tribunal, Orissa	5.00
		1992-93	Appellant Tribunal - West Bengal	90.00
		1993-94	Appellant Tribunal - West Bengal	155.00
		1971-73	Commissioner Sales Tax, Lucknow	6.00
		1987-88	Dy Comm. of Commercial Taxes, Kolkata	4.00
		1995-96	Dy Comm. of Commercial Taxes, Kolkata	34.00
		1994-95	Commercial Tax Officer, Kolkata	61.00
		2006-07	Dy Comm. of Commercial Tax, Tamilnadu	0.82
		2007-08	Dy Comm. of Commercial Tax, Tamilnadu	2.41
		2008-09	Dy Comm. of Commercial Tax, Tamilnadu	0.58
		2009-10	Joint Comm. of Commercial Taxes, Kolkata	4.72
		2009-10	Joint Comm. of Commercial Taxes, Kolkata	9.51
		2009-10	Dy. Excise and Taxation Commissioner	19.67
		2008-09	Additional commissioner of Commercial Tax	0.25
2008-09	Additional commissioner of Commercial Tax	13.51		
Local Area Development Tax Act, 2002	Local Area Tax	2006-07	Hon'ble High Court of Punjab & Haryana	12.00
Haryana State Pollution Control Law	Water Cess	1992-93	Hon'ble Supreme Court of India	13.20
			Total	782.73

10. There are no accumulated losses of the Company as at 31st March, 2014. The Company has neither incurred cash losses in the financial period ended on that date or during the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has maintained proper records of transaction or contract in respect of share, securities, debenture and other Investment and timely entries have been made therein. All share securities, debenture and other Investment have been held by the company on its own name.
15. The Company has given corporate guarantees to bank for loan granted to its joint venture, Isgec Hitachi Zosen Limited, during the period. In our opinion, the terms and conditions of these guarantees are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the period.
19. The Company has not issued any debentures during the period.
20. The Company has not raised any money by public issues during the period.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of significant fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

For S S Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

(K K Tulshan)
Partner

Place: Noida
Date: 26th May, 2014

Membership Number: 085033

BALANCE SHEET as at 31st March, 2014

(₹ in lacs)

Particulars	Note No.	As at 31.03.2014	As at 30.09.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	735.29	736.95
(b) Reserves and Surplus	2	64,074.87	60,197.80
		64,810.16	60,934.75
(2) Non-current Liabilities			
(a) Long-term Borrowings	3	7,052.18	9,037.90
(b) Deferred Tax Liabilities (Net)	4	1,965.25	1,870.04
(c) Other Long-term Liabilities	5	10,431.52	10,355.01
(d) Long-term Provisions	6	13,274.34	12,688.72
		32,723.29	33,951.67
(3) Current Liabilities			
(a) Short-term Borrowings	7	27,776.79	18,604.81
(b) Trade Payables	8	74,461.27	63,174.29
(c) Other Current Liabilities	9	50,944.43	57,284.58
(d) Short-term Provisions	10	5,365.48	5,866.11
		158,547.97	144,929.79
Total		256,081.42	239,816.21
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		36,076.32	37,317.53
(ii) Intangible Assets		5,328.97	5,494.25
(iii) Capital Work-in-progress		2,722.60	820.56
		44,127.89	43,632.34
(b) Non-current Investments	12	12,655.81	12,655.80
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term Loans and Advances	13	1,351.22	1,237.82
(e) Other Non-current Assets	14	166.36	2,003.07
		58,301.28	59,529.03
(2) Current Assets			
(a) Current Investments	15	14,032.67	20,714.18
(b) Inventories	16	41,849.12	33,311.87
(c) Trade Receivables	17	78,679.82	76,149.56
(d) Cash and Bank Balances	18	39,061.34	33,328.69
(e) Short-term Loans and Advances	19	22,003.45	16,105.37
(f) Other Current Assets	20	2,153.74	677.51
		197,780.14	180,287.18
Total		256,081.42	239,816.21
Notes to the financial statements	1 to 44		

The Notes referred to above form an integral part of the financial statements

As per our report of even date.
for S.S. Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 000756N)

Sanjay Kumar
Deputy General Manager(Accounts)

Kishore Chatnani
Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan
Partner
M.No. 085033

S. K. Khorana
Executive Director & Company Secretary

Aditya Puri
Managing Director

Place : Noida
Dated : 26th May, 2014

Vinod K. Nagpal
Director

STATEMENT OF PROFIT & LOSS for the period ended 31st March, 2014

(₹ in lacs)

Particulars	Note No.	Six months period ended 31.03.2014	Year ended 30.09.2013
I. Revenue from Operations	22	147,100.80	259,034.73
Less: Excise Duty		3,056.95	7,771.32
		144,043.85	251,263.41
II. Other Income	23	2,338.74	4,260.70
III. Total Revenue		146,382.59	255,524.11
IV. Expenses:			
(a) Cost of Material Consumed	24	25,644.51	38,840.28
(b) Purchase of goods for resale		64,668.12	93,023.14
(c) Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - trade	25	(5,796.90)	12,663.41
(d) Employee Benefits Expenses	26	10,348.30	19,192.34
(e) Financial Costs	27	1,303.81	2,250.23
(f) Depreciation		2,786.79	5,416.39
(g) Erection & Civil Cost		13,038.88	20,615.50
(h) Other Expenses	28	27,363.21	53,044.21
Total Expenses (IV)		139,356.72	245,045.50
V. Profit before Tax (III-IV)		7,025.87	10,478.61
VI. Tax Expense:			
(a) Current Tax	29	2,305.43	2,592.58
(b) Deferred Tax	4	95.21	644.02
		2,400.64	3,236.60
VII Profit after Tax for the period (V-VI)		4,625.23	7,242.01
VIII Basic /Diluted earning per share of ₹ 10 Each (In ₹)	30	62.78	98.27
Notes to the financial statements	1 to 44		

The Notes referred to above form an integral part of the financial statements

As per our report of even date.
for S.S. Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 000756N)

Sanjay Kumar
Deputy General Manager(Accounts)

Kishore Chatnani
Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan
Partner
M.No. 085033

S. K. Khorana
Executive Director & Company Secretary

Aditya Puri
Managing Director

Place : Noida
Dated : 26th May, 2014

Vinod K. Nagpal
Director

CASH FLOW STATEMENT for the period ended 31st March, 2014

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
A. Cash flow from Operating activities:		
Net (loss)/profit before tax but after exceptional /extraordinary items	7,025.87	10,478.61
Adjustments for:		
Depreciation	2,786.79	5,416.39
Interest Expense	1,303.81	2,250.23
Interest Income	(1,697.14)	(1,769.74)
Income from Investment - Dividends	-	(745.55)
(Profit)/Loss on Fixed Assets sold (Net)	9.82	(120.67)
(Profit)/Loss on Sale of Investment	(548.42)	(1,292.38)
Debts / Advances Written off	-	6.22
Liability no longer required written back	(444.56)	(878.40)
Operating profit before working capital changes	8,436.17	13,344.71
Adjustments for changes in working capital :		
- (Increase)/Decrease in Trade Receivables	(2,692.48)	(7,079.64)
- (Increase)/Decrease in Other Receivables	(4,075.93)	572.59
- (Increase)/Decrease in Inventories	(8,537.25)	11,173.14
- Increase/(Decrease) in Trade, Other Payables and Provisions	6,664.83	17,677.69
Cash generated from operations	(204.66)	35,688.49
- Taxes (Paid) / Received (Net of TDS)	(2,465.50)	(2,379.66)
Net cash from operating activities	(2,670.16)	33,308.83
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(3,309.79)	(7,557.51)
Proceeds from Sale of Fixed Assets	17.63	215.00
Buyback of Equity Shares	(147.64)	-
Sale/(Purchase) of Investments	7,229.92	(4,939.27)
Dividend Received	-	745.55
Interest Received (Revenue)	284.29	1,139.96
Net cash used in investing activities	4,074.41	(10,396.27)

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
C Cash flow from Financing activities:		
Proceeds/ (Repayment) from Secured loans	8,250.62	2,017.46
Proceeds/ (Repayment) of unsecured loans	(1,840.78)	4,210.99
Interest and other Borrowing cost Paid	(1,356.42)	(2,843.74)
Dividend Paid	(725.01)	(736.25)
Net cash used in financing activities	4,328.41	2,648.46
Net Increase/(Decrease) in Cash & Cash Equivalents	5,732.65	25,561.02
Cash and cash equivalents as at 30.09.2013	33,328.69	7,767.65
Cash and cash equivalents as at 31.03.2014	39,061.34	33,328.69
Cash and cash equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	71.91	43.21
Current Account (Dividend Account)	105.08	93.14
Balance with Scheduled Banks	2,143.59	1,897.33
Term Deposit & Margin Money with Banks (against Bank Guarantees & Letter of Credit issued by Bank)	36,740.76	31,295.01
	39,061.34	33,328.69

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard - 3.
- 2 Figures in brackets indicate cash outgo.
- 3 Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

As per our report of even date.
for S.S. Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 000756N)

Sanjay Kumar
Deputy General Manager(Accounts)

Kishore Chatnani
Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan
Partner
M.No. 085033

S. K. Khorana
Executive Director & Company Secretary

Aditya Puri
Managing Director

Place : Noida
Dated : 26th May, 2014

Vinod K. Nagpal
Director

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 1 : SHARE CAPITAL

Particulars	As at 31.03.2014		As at 30.09.2013	
	Number of shares	(₹ in lacs)	Number of shares	(₹ in lacs)
Authorised				
Equity shares of ₹ 10/-each with voting rights	8,500,000	850.00	8,500,000	850.00
Issued				
Equity shares of ₹ 10/-each with voting rights	7,352,951	735.29	7,369,540	736.95
Subscribed and Fully Paid-up				
Equity shares of ₹ 10/-each with voting rights	7,352,951	735.29	7,369,540	736.95
	7,352,951	735.29	7,369,540	736.95

Notes:

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

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

Notes to the Financial Statements as at and for the period ended 31st March, 2014

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

Particulars	As at 31.03.2014		As at 30.09.2013	
	Number of shares	(₹ in lacs)	Number of shares	(₹ in lacs)
Equity Shares outstanding at the beginning of the period	7,369,540	736.95	7,369,540	736.95
Add: Issued during the period	-	-	-	-
Less: Shares bought back	16,589.00	1.66	-	-
Equity Shares outstanding at the close of the period	7,352,951	735.29	7,369,540	736.95

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

Class of shares/Name of the shareholders:	As at 31.03.2014		As at 30.09.2013	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Yamuna Syndicate Ltd.	3,297,446	44.85%	3,300,019	44.78%
(ii) Mr. Ranjit Puri (individually and/or jointly with others)	659,201	8.97%	659,201	8.94%
(iii) Mr. Aditya Puri (individually and/or jointly with others)	456,808	6.21%	456,808	6.20%
(iv) Mr. Ranjan Tandon (individually and/or jointly with others)	438,900	5.97%	438,900	5.96%

- (d) 40 Equity shares of ₹ 10/- each are yet to be allotted by way of Bonus Shares on receipt of fractional certificates, value of which has been shown under capital reserve.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 2 : RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Capital Reserve		
Balance outstanding at the beginning of the period	0.01	0.01
Add: Additions during the period	-	-
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	0.01	0.01
(b) Capital Redemption Reserve		
Balance outstanding at the beginning of the period	1.58	1.58
Add: Additions during the period	1.66	-
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	3.24	1.58
(c) Securities Premium Account		
Balance outstanding at the beginning of the period	450.22	450.22
Add: Additions during the period	-	-
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	450.22	450.22
(d) General Reserve		
Balance outstanding at the beginning of the period	15,545.08	14,820.88
Add: Additions during the period	462.52	724.20
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	16,007.60	15,545.08
(e) Surplus in Statement of Profit and Loss		
Balance outstanding at the beginning of the period	44,200.91	38,420.05
Add: Additions during the period	4,625.23	7,242.01
Less: Appropriations		
- Proposed Dividend - @ ₹ 7/- per share (Previous year @ ₹ 10 per share)	514.71	736.95
- Dividend Tax	87.47	-
- Transfer to Capital Redemption Reserve	1.66	-
- Paid for Buyback of Equity Shares	145.98	-
- Transfer to General Reserve	462.52	724.20
Balance outstanding at the close of the period	47,613.80	44,200.91
Total	64,074.87	60,197.80

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 3 : LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2014			As at 30.09.2013		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Term loan						
(a) From Banks						
External Commercial Borrowings Refer Note-3.1 below	5,016.49	-	5,016.49	7,065.98	-	7,065.98
(b) Deposits - Refer Note 3.2 below						
Public	-	1,697.71	1,697.71	-	1,586.08	1,586.08
Shareholders	-	337.98	337.98	-	385.84	385.84
Directors	-	-	-	-	-	-
TOTAL	5,016.49	2,035.69	7,052.18	7,065.98	1,971.92	9,037.90

Note 3.1: Details of Term Loans from Banks.

(₹ in lacs)

Initial Loan Amount	Loan outstanding as at 31.03.14	Current maturity	Long term	Rate of Interest (p.a.)	Term of repayment	Security
1198.00	- (74.89)	- (74.89)	- -	7.51%	Repayable in quarterly installments of ₹ 74.89 lacs each. Last installment of ₹ 74.89 lacs due on 31.12.2013 is paid.	First charge on movable and immovable fixed assets of the company located at Dahej unit of the Company.
980.00	122.50 (245.00)	122.50 (245.00)	- -	9.40%	Repayable in quarterly installments of ₹ 61.25 lacs each. Last payment of ₹ 122.50 lacs is due on 09.06.2014	First charge on movable and immovable fixed assets of the company located at Dahej unit of the Company.
1446.00	90.41 (271.24)	90.41 (271.24)	- -	9.60%	Repayable in quarterly installments of ₹ 90.41 lacs. Last installment of ₹ 90.41 lacs is due on 23.06.2014	First charge on movable and immovable fixed assets of the company located at Dahej unit of the company.
5658.00	2,192.48 (2,923.30)	1,461.65 (1,461.65)	730.83 (1,461.65)	8.23%	Repayable in quarterly installments. First installment of ₹ 176.81 lacs was due and paid on 24.10.2011 and balance repayable in equal quarterly installments of ₹ 365.41 lacs. Last installment of ₹ 365.41 lacs will be due on 22.07.2015	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
9890.00	6,923.00 (8,241.67)	2,637.34 (2,637.34)	4,285.66 (5,604.33)	7.10%	Repayable in quarterly installments. First installment of ₹ 329.67 lacs was due and paid on 05.01.2013 and balance in equal installments of ₹ 659.33 lacs. Last payment of ₹ 329.67 lacs due on 05.10.2016	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
Total	9,328.39 (11,756.10)	4,311.90 (4,690.12)	5,016.49 (7,065.98)			

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 3.2: Details of Deposits.

(₹ in lacs)

Deposits	Deposits outstanding as on 31.03.2014	Current maturity	Short term	Long term	Period of Deposit : Rate of Interest (p.a.)	Term of repayment	Security
Public	1,949.16 (2,132.55)	239.13 (530.20)	12.32 (16.27)	1,697.71 (1,586.08)	6 Months 6.00% 1 Year 6.00% 2 Year 7.00% 3 Year 9.00%	Repayment on maturity date	Unsecured
Shareholder	383.01 (452.30)	44.32 (63.35)	0.71 (3.11)	337.98 (385.84)			
Director	0.66 (0.66)	0.66 (0.66)	- -	- -			
Total	2,332.83 (2,585.51)	284.11 (594.21)	13.03 (19.38)	2,035.69 (1,971.92)			

Note 3.3 : Figures in parenthesis pertains to previous year.

Note 4 : DEFERRED TAX

The Company estimates the Deferred tax (charge)/ credit for the year using the applicable tax rate based on the impact of timing differences between items in the financial statements and the estimated taxable income for the current year. The movement in provision for Deferred tax is given below:-

(₹ in lacs)

Element of Deferred Tax	As at 01.10. 2012	Credit / (Charge) during the year	As at 01.10.2013	Credit / (Charge) during the period	As at 31.03.2014
Depreciation	(2,402.90)	(312.90)	(2,715.80)	(1.45)	(2,717.25)
Other Timing Differences	1,176.88	(331.12)	845.76	(93.76)	752.00
Net Deferred Tax	(1,226.02)	(644.02)	(1,870.04)	(95.21)	(1,965.25)

Note 5 : OTHER LONG TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Trade Payables:		
(i) To Micro & Small Enterprises	-	-
(ii) To Other than Micro & Small Enterprises	-	-
(b) Others:		
(i) Interest accrued but not due on Public Deposits	159.41	106.50
(ii) Advance from Customers	10,085.46	10,068.14
(iii) Security and Other Deposits	186.65	180.37
Total	10,431.52	10,355.01

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 6 : LONG-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Provision for Employee Benefits:		
(i) Provision for Leave Encashment (unfunded) (Refer Note 26.1)	1,124.56	1,088.33
(ii) Provision for Pension (Unfunded)	1,158.54	1,146.83
(iii) Provision for Gratuity (Funded) (Refer Note 26.1)	-	240.61
(b) Provision Others:		
(i) Provision for Performance Warranties/ After Sales Service (Refer Note 6.1)	10,991.24	10,212.95
Total	13,274.34	12,688.72

Note 6.1 : MOVEMENT OF PROVISION FOR LIABILITIES

Disclosure in terms of Accounting Standard AS - 29 on Provisions, Contingent Liabilities and Contingent Assets:-

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Movement of provision for Performance Warranties / After Sales Services		
(i) Opening Balance	14,296.95	13,691.87
(ii) Provided for during the period	2,131.88	5,027.05
(iii) Used during the period	(1,379.05)	(3,818.65)
(iv) Reversed during the period	(180.31)	(603.32)
(v) Closing Balance	14,869.47	14,296.95
(b) Timing of outflow/uncertainties	Outflow on claims to be made by Customers.	

Note 7 : SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Secured		
(i) Cash Credit (Refer note 7.1 and 7.2)	6,263.76	3,585.43
(ii) Packing Credit Loan from Banks (Refer Note 7.1 & 7.3)	15,000.00	7,000.00
	21,263.76	10,585.43

Notes to the Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
b) Unsecured		
(i) Public Deposits (Refer Note 3.2)		
Public	12.32	16.27
Shareholders	0.71	3.11
Related Parties	-	-
(ii) Packing Credit Loan from Banks(Refer Note 7.3)	6,500.00	8,000.00
	6,513.03	8,019.38
Total	27,776.79	18,604.81

Note 7.1 Secured by hypothecation of inventories and by a charge on book debts and other assets of the Company, in favour of working capital consortium bankers on pari passu basis.

Note 7.2 Repayable on demand

Note 7.3 Average rate of interest on Packing Credit Loans from Banks is 7.37 %.

Note 8 : TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) To Micro & Small Enterprises (Refer Note 8.1)	61.68	71.66
(b) To Other than Micro & Small Enterprises	74,284.62	62,640.45
(c) To Related Parties	114.97	462.18
Total	74,461.27	63,174.29

Note 8.1 : TRADE PAYABLES TO MICRO AND SMALL ENTERPRISES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Amount remaining unpaid to any supplier		
Principal Amount	61.68	71.66
Interest due thereon	-	-
b) Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006	0.03	0.06
c) Interest due (other than (b) above)	-	-
d) Interest accrued and unpaid	-	-
e) Interest due and payable till actual payment	-	-

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 9 : OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Current maturities of long-term debt *		
(i) External Commercial Borrowing (Refer note 3.1)	4,311.90	4,690.12
(ii) Deposits (Refer note 3.2)		
Public	239.13	530.20
Shareholders	44.32	63.35
Directors	0.66	0.66
(b) Interest accrued but not due on borrowings	310.19	403.64
(c) Advance from customers	40,998.11	46,643.05
(d) Unpaid dividends	105.08	93.14
(e) Unpaid matured deposits	64.27	112.66
(f) Interest accrued on unpaid matured deposits	20.29	32.36
(g) Creditors for Capital expenditure	336.15	319.17
(h) Other creditors	421.42	460.19
(i) Other creditors related parties	1.19	0.89
(j) Statutory remittances		
(i) Taxes Payable	565.88	663.24
(ii) Employees' related Statutory Remittances	232.99	217.88
(k) Security and Other Deposits	73.29	56.62
(l) Director's Current Account	3.24	3.45
(m) Book Overdraft	11.62	99.72
(n) Director's Remuneration	742.18	1,068.31
(o) Payables to Employees	1,248.96	527.13
(p) Other Liabilities	1,213.56	1,298.80
Total	50,944.43	57,284.58

* For details of Security for Current maturities of long term debt please refer Note 3.1

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 10 : SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31.03.2014		As at 30.09.2013	
	(a) Provision for Employee Benefits:			
(i) Provision for Leave Encashment (Unfunded) (Refer note 26.1)		124.03		117.41
(ii) Provision for Pension (Unfunded)		141.10		147.74
(iii) Provision for Contribution to Superannuation Fund (Funded)		-		-
(b) Provision Others				
(i) Provision for Performance, Warranties / After Sales Services (Refer Note 6.1)		3,878.23		4,084.00
(ii) Provision for Income Tax				
Provision for Income Tax	4,514.14		2,592.58	
Less: Prepaid Taxes	3,894.20	619.94	1,812.57	780.01
(iii) Provision for Proposed Equity Dividend		514.71		736.95
(iv) Provision for Tax on Proposed Dividend		87.47		-
Total		5,365.48		5,866.11

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 11 : FIXED ASSETS

Note 11.1 : FIXED ASSETS -OWNED

(₹ in lacs)

	Gross Block			Depreciation				Net Block	
	Balance as at 01.10.2013	Additions	Deductions/ Adjustments	Deduction of Assets Leased to IHZL	Balance as at 31.03.2014	For Six months period ended	Deduction on assets Leased to IHZL	Balance as at 31.03.2014	Balance as at 30.09.2013
Tangible Assets									
Free Hold Land	2,960.47	5.72	8.75	-	2,957.44	-	-	2,957.44	2,960.47
Lease Hold Land	2,525.24	-	-	-	2,525.24	35.08	-	2,037.67	2,072.75
Building	9,598.39	372.51	0.01	-	9,970.89	267.85	0.01	6,454.83	6,350.17
Plant and Equipment	29,568.82	411.22	14.13	-	29,965.91	1,277.57	13.91	14,517.56	15,384.13
Furniture & Fixture	1,003.66	28.62	1.87	-	1,030.41	32.81	1.65	345.28	349.69
Office Equipments	2,819.03	221.43	33.83	-	3,006.63	115.31	27.29	881.77	782.19
Vehicle	1,309.90	109.07	54.15	-	1,364.82	82.22	43.60	608.47	592.17
Total	49,785.51	1,148.57	112.74	0.00	50,821.34	1,810.84	86.46	27,803.02	28,491.57
Previous Year - Tangible Assets	41,500.63	8,654.48	329.72	39.88	49,785.51	3,537.39	233.08	28,491.57	-
Intangible Assets									
Software (acquired)	1,315.40	258.64	-	-	1,574.04	99.94	-	648.27	489.57
Technical Know How (acquired)	6,582.21	0.56	-	-	6,582.77	323.20	-	4,676.52	4,999.16
Total	7,897.61	259.20	0.00	0.00	8,156.81	423.14	0.00	5,324.79	5,488.73
Previous Year - Intangible Assets	5,221.12	2,676.49	-	-	7,897.61	732.21	-	5,488.73	-
Grand Total	57,683.12	1,407.77	112.74	0.00	58,978.15	2,233.98	86.46	33,127.81	33,980.30
Previous Year	46,721.75	11,330.97	329.72	39.88	57,683.12	4,269.60	233.08	33,980.30	-

Notes :

1. Borrowing costs capitalised during the period Rs. Nil (Previous year Rs. Nil)
2. Cost of software includes Purchase Price, Duties & Taxes (Other than recoverable from taxing authorities).
3. Useful Life of additions under Software is 5 years and for Technical Know How is 10 years.
4. IHZL stands for Isgec Hitachi Zosen Ltd.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 11.2 : FIXED ASSETS OWNED AND LEASED OUT TO ISGEC HITACHI ZOSEN LTD. (₹ in lacs)

	Gross Block				Depreciation				Net Block		
	Opening Balance as at 01.10.2013	Additions	Deductions/ Adjustments	Balance as at 31.03.2014	Balance as at 01.10.2013	Addition of Transfer in	For Six Months period ended	Deduction on disposal of assets	Balance as at 31.03.2014	Balance as at 31.03.2014	Balance as at 30.09.2013
Tangible Assets											
Free Hold Land	-	-	-	-	-	-	-	-	-	-	-
Lease Hold Land	132.65	-	-	132.65	9.09	-	0.67	-	9.76	122.89	123.56
Building	6,149.31	-	-	6,149.31	2,317.79	-	167.29	-	2,485.08	3,664.23	3831.52
Plant and Equipment	7,365.44	-	2.65	7,362.79	2,577.72	-	376.00	1.48	2,952.24	4,410.55	4787.72
Furniture & Fixture	143.81	-	-	143.81	90.12	-	4.57	-	94.69	49.12	53.69
Office Equipments	97.44	-	-	97.44	69.29	-	2.79	-	72.08	25.36	28.15
Vehicle	5.85	-	-	5.85	4.53	-	0.17	-	4.70	1.15	1.32
TOTAL	13,894.50	0.00	2.65	13,891.85	5,068.54	0.00	551.49	1.48	5,618.55	8,273.30	8825.96
Previous Year - Tangible Assets	13,855.13	39.88	0.51	13,894.50	3,924.78	-	1,144.17	0.41	5,068.54	8,825.96	-
Intangible Assets											
Software (acquired)	13.38	-	-	13.38	7.86	-	1.34	-	9.20	4.18	5.52
Technical Know How (acquired)	-	-	-	-	-	-	-	-	-	-	-
TOTAL	13.38	0.00	0.00	13.38	7.86	0.00	1.34	0.00	9.20	4.18	5.52
Previous Year - Intangible Assets	13.38	-	-	13.38	5.19	-	2.67	-	7.86	5.52	-
GRAND TOTAL	13,907.88	0.00	2.65	13,905.23	5,076.40	0.00	552.83	1.48	5,627.75	8,277.48	8831.48
Previous Year	13,868.51	39.88	0.51	13,907.88	3,929.97	0.00	1,146.84	0.41	5,076.40	8,831.48	-

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 12 : NON-CURRENT INVESTMENTS - AT COST

Particulars	Face Value (₹)	As at 31.03.2014		As at 30.09.2013	
		No. of Shares	Value (₹ in lacs)	No. of Shares	Value (₹ in lacs)
Investments (at cost)					
Investment in Equity Instruments					
a) Subsidiary Companies fully paid up (Unquoted) - Trade					
Isgec Covema Limited	10	2000000	200.00	1999900	199.99
Isgec Exports Limited *	10	100000	10.00	100000	10.00
Isgec Engineering & Projects Ltd *	10	3300000	330.00	3300000	330.00
Isgec Hitachi Zosen Ltd. * (Refer note 12.1)	10	5100000	5,100.00	5100000	5,100.00
b) Subsidiary Companies fully paid up (Unquoted) - Non Trade					
Saraswati Sugar Mills Limited *	10	7099900	7,009.99	7099900	7,009.99
			12,649.99		12,649.98
c) Other Companies (Quoted) - Non Trade:					
Haryana Oxygen Limited	10	-	-	2500	0.25
Less : Provision for diminution in the value of Investment			-		(0.25)
Reliance Industries Ltd. (Market Value ₹ 6.54 Lacs (Previous Year ₹ 5.79 Lacs))	10	704	3.36	704	3.36
Reliance Power Ltd (Market Value ₹ 0.61 Lacs (Previous Year ₹ 0.59 Lacs))	10	872	2.46	872	2.46
			5.82		5.82
Total			12,655.81		12,655.80
Aggregate Value of Investments :					
Unquoted			12,649.99		12,649.98
Quoted (Aggregate market value ₹ 7.15 Lacs (Previous year ₹ 6.38 Lacs))			5.82		6.07
Provision for diminution in value of Investments			-		(0.25)
Total			12,655.81		12,655.80
* Includes Equity shares held by Nominees					
Saraswati Sugar Mills Limited			600		600
Isgec Exports Ltd.			9		9
Isgec Engineering & Projects Ltd			6		6
Isgec Hitachi Zosen Ltd.			3		3
Isgec Covema Ltd.			100		-

Note 12.1 Classified as subsidiary as the company holds 51% of equity in Isgec Hitachi Zosen Ltd. However it is joint venture in accordance with Accounting Standard (AS) 27-Financial Reporting of Interest in Joint Ventures as per joint venture agreement between Isgec Heavy Engineering Limited and Hitachi Zosen Corporation, Japan.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 13: LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2014			As at 30.09.2013		
	Secured, considered good	Unsecured, considered good	Total	Secured, considered good	Unsecured, considered good	Total
(a) Capital Advance	-	430.40	430.40	-	12.48	12.48
(b) Security Deposits						
- to Others	-	566.82	566.82	-	859.65	859.65
- to Related Parties	-	10.11	10.11	-	10.11	10.11
(c) Loans and Advances to employees	224.78	119.11	343.89	236.51	114.75	351.26
(d) Advance to suppliers	-	-	-	-	2.43	2.43
(e) Prepaid Expenses	-	-	-	-	1.89	1.89
Total	224.78	1,126.44	1,351.22	236.51	1,001.31	1,237.82

Note 14 : OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Long-term Trade Receivables		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	162.22	-
(b) Security and Other Deposits	-	-
(c) Others (Refer note 18.1 (a) (iii))	4.14	2,003.07
Total	166.36	2,003.07

Note 15 : CURRENT INVESTMENTS

Particulars	Face Value (₹)	As at 31.03.2014		As at 30.09.2013	
		No. of Units	Value (₹ in lacs)	No. of Units	Value (₹ in lacs)
Investments (at cost) - Non Trade					
Investment in Mutual Funds (Unquoted)					
Axis Liquid Fund - Direct - Growth	1000	-	-	44810.804	606.14
Axis Short Term Fund -Growth	10	-	-	7752719.266	1,000.00
Birla Sunlife Dynamic Bond Fund - Retail- Growth - Regular Plan	10	4942586.761	1,013.86	7359633.710	1,500.00
DSP Strategic Bond Fund - Direct Plan - Growth	1000	-	-	70467.351	1,000.00
DSP Blackrock Money Manager - Regular Plan - Growth	1000	-	-	36685.187	594.86

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Particulars	Face Value	As at 31.03.2014		As at 30.09.2013	
	(₹)	No. of Units	Value (₹ in lacs)	No. of Units	Value (₹ in lacs)
DSP Blackrock Liquidity Fund -Direct - Growth	1000	28485.162	520.49	-	-
DSP Blackrock FMP - Series 152-12.5M-Dir - Growth	10	5000000.000	500.00	-	-
DWS Short Maturity Fund - Regular Plan - Annual Bonus	10	4182952.688	601.25	2788635.125	601.25
DWS Treasury Fund - Investment - Regular Plan - Bonus	10	738222.041	-	4023589.381	401.43
HDFC Liquid Fund -Premium Plan- Growth	10	-	-	-	-
HDFC Quarterly Interval Fund - C - Retail Plan - Direct - Growth	10	-	-	6083280.105	1,000.00
HDFC Short Term Opportunities Fund - Growth	10	-	-	7886237.394	1,015.37
ICICI Prudential Blended Plan B - Regular Plan - Growth Option - I	10	-	-	3274068.686	588.55
ICICI Prudential Intvl II Qtrly Intvl Plan F-Direct Plan- Growth	10	3655665.000	500.00	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	100	119430.461	206.57	-	-
JP Morgan India Liquid Fund - Direct Plan - Growth	10	601818.696	100.00	-	-
Kotak Floater Short Term - Direct Plan - Growth	1000	23977.824	500.00	-	-
Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth	1000	148615.264	4,624.61	60643.694	1,806.58
Reliance Monthly Interval Fund - Series I -Growth	10	-	-	6144468.749	1,000.00
Reliance Monthly Interval Fund - Series II -Growth	10	-	-	9239183.995	1,500.00
Reliance Quarterly Interval Fund - Series II -Growth	10	-	-	3040900.106	500.00
Reliance Short Term Fund -Growth Option	10	-	-	9005723.137	2,000.00
SBI Magnum Income Fund- Regular Plan - Growth	10	4321284.311	1,256.64	9722676.248	2,800.00
SBI Premier Liquid Fund - Regular Plan - Growth	1000	119394.832	2,403.38	62342.936	1,200.00
SBI Short Term Debt Fund- Regular Plan - growth	10	-	-	10957863.363	1,500.00
SBI Debt Fund Series A 14 - 380 days -Regular - Growth	10	5000000.000	500.00	-	-
SBI Debt Fund Series A 16 - 366 days -Regular - Growth	10	6000000.000	600.00	-	-
SBI Debt Fund Series A 8 - 30 days -Direct - Growth	10	5000000.000	500.00	-	-
Templeton India Treasury Management A/c Super Inst. Plan - Growth	1000	-	-	5638.763	100.00
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	1000	9942.677	205.87	-	-
Total			14,032.67		20,714.18
Aggregate Value of Investments :					
Unquoted			14,032.67		20,714.18
Quoted			-		-
Provision for diminution in value of Investments			-		-
Total			14,032.67		20,714.18

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 16: INVENTORIES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
Raw Materials (at lower of cost or net realisable value)	14,044.94	12,987.35
Raw Material in Transit (at lower of cost or net realisable value)	749.22	245.92
Stores and Spares Parts (at lower of cost or net realisable value)	3,074.64	2,381.74
Stores in transit (at lower of cost or net realisable value)	7.72	9.51
Goods for Resale in Transit (at lower of cost or net realisable value)	994.14	481.77
Work-in-Progress :		
a) Engineering Goods (at lower of cost or net realisable value)	19,149.38	14,237.41
b) Ingots and Steel Castings (at lower of cost or net realisable value)	1,452.03	1,482.43
c) Erection (at lower of cost or net realisable value)	2,246.71	1,340.95
Finished Stock :		
i) Ingots and Steel Castings (at lower of cost or net realisable value)	103.94	55.49
ii) Trading Goods	-	38.88
Loose Tools (at lower of cost or net realisable value)	16.32	38.44
Farm Stock & Standing Crops (at estimated market value and at estimated cost respectively)	10.08	11.98
Total	41,849.12	33,311.87

Note 17 : TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	13,060.86	13,815.22
Unsecured, considered doubtful	9.47	9.47
	13,070.33	13,824.69
Less: Provision For Doubtful Debts	9.47	9.47
	13,060.86	13,815.22
Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	65,553.25	61,476.76
Unsecured, considered good-related parties	65.71	857.58
Unsecured, considered doubtful	-	-
	65,618.96	62,334.34
Less: Provision For Doubtful Debts	-	-
	65,618.96	62,334.34
Total	78,679.82	76,149.56

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 18 : CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Cash and Cash equivalents		
i) Cash in hand	25.03	28.93
ii) Cheques, Drafts in hand	46.88	14.28
iii) Balance with Banks:		
In Current and Cash Credit Accounts	2,143.59	1,897.33
In Fixed Deposits Accounts (refer Note 18.1 (a) (i))	-	5,330.00
	2,215.50	7,270.54
b) Other Bank Balances		
i) In Fixed Deposits Accounts (refer Note 18.1 (a) (ii))	34,770.05	25,670.05
ii) In Fixed Deposits Accounts (refer Note 18.1(b))	1,970.71	294.96
iii) In earmarked Accounts:		
-Unpaid Dividend Accounts	105.08	93.14
	36,845.84	26,058.15
Total	39,061.34	33,328.69

Note 18.1 : FIXED DEPOSITS WITH BANKS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Free From any Lien		
i) Maturing within 3 months from date of deposit (classified as cash and cash equivalents)	-	5,330.00
ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (classified as other bank balance)	34,770.05	25,670.05
iii) Maturing after one year of Balance Sheet date (classified as and included in non current asset)	-	2,000.00
	34,770.05	33,000.05
b) Under Lien		
i) Maturing within 3 months from date of deposit (classified as other bank balances)	1,525.75	-
ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (classified as other bank balance)	444.96	294.96
iii) Maturing after one year of Balance Sheet date (classified as and included in non current asset)	-	-
	1,970.71	294.96
Total	36,740.76	33,295.01

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 19 : SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2014			As at 30.09.2013		
	Secured, considered good	Unsecured, considered good	Total	Secured, considered good	Unsecured, considered good	Total
Loans and Advances to employees	60.78	536.15	596.93	63.75	493.47	557.22
Balance with Government Department and Others	-	3,100.97	3,100.97	-	2,300.05	2,300.05
Security Deposit	354.88	-	354.88	31.03	-	31.03
Prepaid Expenses	-	1,091.09	1,091.09	-	1,310.22	1,310.22
Advance to Suppliers						
- to Others	2.20	13,388.48	13,390.68	-	9,655.25	9,655.25
- to Related Parties	-	709.15	709.15	-	431.05	431.05
Export Incentive Receivable	-	2,392.39	2,392.39	-	1,606.06	1,606.06
Loan to Subsidiary Companies:						
- Saraswati Sugar Mills Limited	-	7.68	7.68	-	-	-
Gratuity Fund	-	71.66	71.66	-	-	-
Other advances	-	288.02	288.02	-	214.49	214.49
Total	417.86	21,585.59	22,003.45	94.78	16,010.59	16,105.37

Note 20 : OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
Interest accrued but not due on Deposits	2,090.36	648.23
Others	63.38	29.28
Total	2,153.74	677.51

Note 21 : CONTINGENT LIABILITIES & COMMITMENTS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
I Contingent Liabilities:		
a) Claims against the Company not acknowledged as debts (including sales tax under dispute)	886.61	1,172.92
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and advance authorisation * * includes Bonds given on behalf of Subsidiary Company Isgec Hitachi Zosen Ltd.	19,382.14	31,839.44
c) Bills discounted with Banks / Financial Institutions outstanding at the year end	11,191.00	8,438.00
d) Corporate Guarantees given on behalf of joint venture Company Isgec Hitachi Zosen Limited to Banks	1,306.50	2,718.90
	8,946.30	-
II Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	368.12	1,774.84

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 22 : REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Sale of products (Refer Note 22.1 below)	130,120.82	233,884.96
Erection, Commissioning and other receipts	11,499.62	16,035.90
Other operating revenues (Refer Note 22.2 below)	5,480.36	9,113.87
Total	147,100.80	259,034.73
Less Excise Duty	3,056.95	7,771.32
Net	144,043.85	251,263.41

Note 22.1 : SALE OF PRODUCTS(NET OF EXCISE DUTY)

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Mechanical & Hydraulic Presses	6,712.83	17,016.85
Boiler Drums, Boiler Parts & Piping	12,015.35	21,427.25
Pressure Vessels, Columns, Reactors, Heat Exchangers	13,573.96	33,843.80
Ingots	99.11	278.65
Steel & CI Castings	4,551.81	11,748.75
Boiler, Sugar & Power Plants	90,110.81	141,798.34
Total	127,063.87	226,113.64

Note 22.2 : OTHER OPERATING REVENUE

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Commission Earned	89.91	155.32
Export Incentive	2,006.75	4,198.72
Packing Receipts	12.78	46.64
Unclaimed Balances Written Back	73.68	103.42
Excess Provision Written Back	370.88	774.98
Foreign Exchange Fluctuations	595.28	-
Scrap and Waste Sale	624.95	1,156.77
Lease rent receipts (Refer note 33.2)	1,249.80	2,499.60
Others	456.33	178.42
Total	5,480.36	9,113.87

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 23 : OTHER INCOME

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Interest Income		
- On Loans to Subsidiary Companies	5.42	197.21
- Other Interest Income	16.64	180.95
- On Bank Deposits	1,675.08	1,391.58
Dividend Income on Investments		
Long Term - Non Trade		
- Subsidiary Companies	-	745.49
- Other Companies	-	0.06
Current - Non Trade		
- Mutual Funds	-	-
Net gain on sale of current investments	548.42	1,292.38
Profit on sale of Fixed Assets	7.60	134.57
Insurance Claim Receipts	19.07	107.13
Profit from Farm Operations (Refer Note No 23.1)	1.07	7.38
Other Non-operating Income	65.44	203.95
Total	2,338.74	4,260.70

Note 23.1 : PROFIT FROM FARM OPERATIONS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Income:		
Sale of Farm Produce	6.31	11.60
Miscellaneous Income	0.02	0.25
Total	6.33	11.85
Expenditure:		
Salaries, Wages and Bonus	1.79	4.63
Cultivation Expenses	1.22	2.57
Miscellaneous Expenses	0.16	0.35
Repairs and Maintenance:		
- Machinery and Tractors	0.18	0.28
- Building	-	-
Depreciation	0.02	0.05
	3.37	7.88
(Increase)/Decrease in Stock	1.89	(3.41)
Total	5.26	4.47
Profit	1.07	7.38

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 24 : COST OF MATERIALS, COMPONENTS, STORES AND SPARES CONSUMED

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Raw Materials & Components (Refer Note 24.1 & 24.2(i))	23,973.72	35,017.04
Consumption of Stores and Spares (Refer Note 24.2(ii))	1,670.79	3,823.24
Total	25,644.51	38,840.28

Note 24.1 : DETAILS OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in lacs)

Type of Materials	Units	Six months period ended 31.03.2014		Year ended 30.09.2013	
		Quantity	Value	Quantity	Value
Iron and Steel	MT	12,130.07	6,355.89	24278.00	10,937.00
Non-ferrous	MT	225.00	109.38	336.00	222.66
Alloys	MT	138.25	385.28	362.36	809.44
M.S. Scrap	MT	1,560.81	351.03	4745.55	1,331.15
Components issued for jobs			16,772.14		21,716.79
Total			23,973.72		35,017.04

Note 24.2 : ANALYSIS OF MATERIAL CONSUMED

(₹ in lacs)

	Six months period ended 31.03.2014		Year ended 30.09.2013	
	%	Value	%	Value
i) Raw Materials & Components				
Imported	27.13%	6,502.92	15.27%	5,346.39
Indigenous	72.87%	17,470.80	84.73%	29,670.65
Total	100.00%	23,973.72	100.00%	35,017.04
ii) Stores & Spares				
Imported	1.44%	24.04	2.09%	79.77
Indigenous	98.56%	1,646.75	97.91%	3,743.47
Total	100.00%	1,670.79	100.00%	3,823.24

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Opening stock:		
Finished Goods	55.49	-
Work - in - Progress	17,060.79	29,818.57
Trading Goods	38.88	-
Total	17,155.16	29,818.57
Closing stock		
Finished Goods	103.94	55.49
Work - in - Progress	22,848.12	17,060.79
Trading Goods	-	38.88
Total	22,952.06	17,155.16
Net increase (-)/decrease	(5,796.90)	12,663.41

Note 26 : EMPLOYEES BENEFITS EXPENSES

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Salaries and wages	9,059.16	17,532.50
Contribution to Provident and other Funds (Refer Note 26(i)(a) & 26(i)(b))	1,039.59	1,197.92
Staff Welfare Expenses	249.55	461.92
Total	10,348.30	19,192.34

Note 26.1 : DETAILS OF EMPLOYEE BENEFITS EXPENSES

The disclosure of employee benefits as required in Accounting Standard - 15 is given below:-

a) Defined Contribution Plan:

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plans:

(₹ in lacs)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Provident Fund	460.04	841.64	791.69	710.10	600.39
Employees State Insurance	7.15	48.51	87.62	108.11	72.07
Superannuation fund	13.51	62.08	-	-	-
Total	480.70	952.23	879.31	818.21	672.46

Notes to the Financial Statements as at and for the period ended 31st March, 2014

b) Defined Benefits Plan :

The liability for Employee Gratuity and Leave Encashment is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

(₹ in lacs)

Description	Gratuity (Funded)					Leave Encashment (Non-funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
i. Change in Present value of Obligation										
a. Present Value of Obligation at the beginning of the year	3,351.42	2,962.45	2,757.11	2,166.78	1,840.10	1,205.74	1,080.27	914.42	794.19	592.23
b. Interest cost	134.06	237.00	220.57	172.21	147.21	48.23	86.12	73.42	63.63	47.44
c. Current service cost	142.91	264.12	233.92	214.28	159.06	114.73	225.08	219.97	200.57	147.76
d. Benefits paid	(136.89)	(319.29)	(200.66)	(141.98)	(107.63)	(225.73)	(239.75)	(242.12)	(237.10)	(169.67)
e. Actuarial (gain) / loss	101.41	207.14	(48.48)	345.81	128.05	105.62	54.02	114.57	120.85	176.41
f. Present Value of Obligation at the end of the year	3,592.91	3,351.42	2,962.45	2,757.11	2,166.78	1,248.59	1,205.74	1,080.27	942.12	794.19
ii. Change in the Fair Value of Plan Assets										
a. Fair Value of Plan Assets at the beginning of the year	3,110.81	2,934.03	2,723.91	2,433.32	2,160.76	N.A.	N.A.	N.A.	N.A.	N.A.
b. Expected Return of Plan Assets	139.99	264.06	251.96	219.00	184.75	-	-	-	-	-
c. Contributions	572.12	223.58	158.24	202.07	78.47	-	-	-	-	-
d. Benefits paid	(136.89)	(319.29)	(200.66)	(141.98)	(107.63)	-	-	-	-	-
e. Actuarial Gain / (Loss) on Plan Assets	(21.46)	8.42	0.59	11.48	116.97	-	-	-	-	-
f. Fair Value of Plan Assets at the end	3,664.57	3,110.81	2,934.03	2,723.91	2,433.32	-	-	-	-	-
iii. Reconciliation of Fair Value of Assets and Obligations										
a. Fair Value of Plan Assets at the end of the year	3,664.57	3,110.81	2,934.03	2,723.91	2,433.32	-	-	-	-	-
b. Present Value of Obligation at the end of the year	3,592.91	3,351.42	2,962.45	2,757.11	2,166.78	1,248.59	1,205.74	1,080.27	942.12	794.19
c. Amount recognised in the Balance Sheet	71.66	(240.61)	(28.42)	(33.20)	266.54	(1,248.59)	(1,205.74)	(1,080.27)	(942.12)	(794.19)
- Current	71.66	-	-	-	-	(117.41)	(117.41)	(119.49)	(88.05)	-
- Non Current	-	(240.61)	(28.42)	(33.20)	-	(1,088.33)	(1,088.33)	(960.78)	(854.06)	-
iv. Expenses recognised in the statement of Profit & Loss										
a. Current Service Cost	142.91	264.12	233.92	214.28	159.06	114.73	225.08	219.97	200.57	147.76
b. Interest Cost	134.06	237.00	220.57	172.21	147.21	48.23	86.12	73.42	63.63	47.44
c. Expected Return on Plan Assets	(139.99)	(264.06)	(251.96)	(219.00)	(184.75)	-	-	-	-	-
d. Actuarial (Gain) / Loss	122.87	198.72	(49.07)	334.33	11.08	105.62	54.02	114.57	120.85	176.41
e. Expenses recognised in the Profit & Loss	259.85	435.77	153.46	501.82	132.60	268.58	365.22	407.97	385.05	371.62
v. Actuarial Assumptions										
a. Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
b. Estimated Rate of return on Plan Assets(p.a)	9.00%	9.25%	9.25%	9.00%	8.55%					
c. Rate of Escalation in Salary (p.a)	6.50%	6.50%	6.50%	6.50%	5.50%	6.50%	6.50%	6.50%	6.50%	5.50%

c) Amounts for the current and previous four periods in respect of Gratuity & Leave Encashment are as follows:

(₹ in lacs)

Particulars	Gratuity (Funded)					Leave Encashment (Non-funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	3,592.91	3,351.42	2,962.45	2,757.11	2,166.78	1,248.59	1,205.74	1,080.27	942.12	794.19
Plan Assets	3,664.57	3,110.81	2,934.03	2,723.91	2,433.32	-	-	-	-	-
Surplus / (Deficit)	71.66	(240.61)	(28.42)	(33.20)	266.54	(1,248.59)	(1,205.74)	(1,080.27)	(942.12)	(794.19)
Experience adjustment on Plan Liabilities	(101.41)	(207.14)	48.48	(345.81)	(128.05)	(105.62)	(54.02)	(114.57)	(120.85)	(176.41)
Experience adjustment on Plan Assets	(21.46)	1.09	7.40	22.43	128.86	-	-	-	-	-

Note 26.2 : Figures for 2013-14 are for the period of six months only

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 27 : FINANCE COSTS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Interest on Borrowings		
Banks	1,130.05	1,646.64
Public Deposits	118.06	401.81
Others	17.16	45.22
Other Borrowing Cost	38.54	156.56
Total	1,303.81	2,250.23

Note 28 : OTHER EXPENSES

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Power & Fuel	918.03	1,976.79
Other Manufacturing Expenses	4,305.98	12,742.69
Repairs to:		
-Machinery	157.78	363.98
-Building	183.62	419.39
-Others	47.72	45.84
Rent (Refer Note 33.1)	286.69	477.46
Insurance	158.20	330.00
Rates and Taxes	88.71	109.24
Commission to Selling Agents and Others	3,758.07	5,145.49
Bank Charges	624.31	1,350.33
Royalty	485.34	359.00
Electricity and Water Charges	126.10	266.30
Donation	16.77	4.12
Office and Miscellaneous Expenses	2,435.86	4,476.06
Payment to Statutory Auditors		
-Statutory audit fees	9.00	9.00
-For Company Law Matters	0.51	4.81
-For Reimbursement of expenses	1.24	1.51
Packing, Forwarding and Transportation Expenses	8,602.22	14,721.85
Design & Technical Expenses	1,950.76	1,486.60
Travelling Expenses	2,247.60	4,167.43
Managerial Remuneration (Refer Note 28.1)	781.45	1,151.10
Directors' Commission / Fee	2.41	4.77
Rebate and Discount	157.42	97.32
Bad debts written off	-	6.22
Loss on Assets Sold / Written Off	17.42	13.90
Loss on Sales/Diminution in Value of Stores	-	-
Loss/Provision on Sales/Disposal/Diminution/ in Value of Investments	-	-
Net loss on foreign currency transactions and translations	-	3,313.01
Total	27,363.21	53,044.21

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 28.1 : MANAGERIAL REMUNERATION

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
(a) To the Whole time Directors:		
(i) Salary	34.80	69.60
(ii) Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	4.18	12.35
(iii) Other Perquisites	0.97	2.16
(iv) Commission	741.50	1,066.99
	781.45	1,151.10
(b) To Other Directors:		
(i) Commission	0.63	1.71
(ii) Sitting Fee	1.78	3.06
	2.41	4.77
Total Managerial Remuneration	783.86	1,155.87
Calculation as per Section 349 of the Companies Act, 1956 in respect of Managerial Remuneration is as follows:		
Profit before tax	7,025.87	10,478.61
Add : Provision for doubtful Debts		
Loss on sale of fixed assets	17.42	13.90
Loss on diminution in value of Investments	-	-
	7,043.29	10,492.51
Less: Profit on sale of fixed assets	7.60	134.57
Profit as per Section 349	7,035.69	10,357.94
Add : Managerial Remuneration	39.95	84.11
Commission to Whole time Directors	741.50	1,066.99
Commission to Non Executive Directors	0.63	1.71
Sitting Fees to Non Executive Directors	1.78	3.06
Net Profit as per Section 198	7,819.55	11,513.81
Maximum remuneration payable restricted to:		
- Whole time Directors 10% of above	781.95	1,151.38
- Other Directors 1% of above	78.20	115.14

Note 29 : CURRENT TAX

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Provision for Tax	2,305.43	2,592.58

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 30 : EARNING PER SHARE

In accordance with Accounting Standard (AS-20) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Net Profit / (Loss) available to Equity Shareholders (₹ in lacs)	4,625.23	7,242.01
b) Number of Weighted Average Equity Shares outstanding during the period for the purpose of calculation of Earning Per Share	7,366,839	7,369,540
c) Nominal value of Equity Share (In ₹)	10.00	10.00
d) Basic & Diluted Earning per Share (In ₹)	62.78	98.27

Note 31 : SEGMENT REPORTING

(a) Primary Segment

The Company operates in only one segment of Engineering business which comprises of production and sales of Engineering Equipments, identified in accordance with principles enunciated in Accounting Standard (AS-17). Hence, separate segment information is not applicable.

(b) Secondary Segment

In respect of secondary segment information, the Company has identified Geographical segments as (i) domestic and (ii) Overseas.

- (i) Domestic Revenue includes sales to customers located within India and earnings in India.
- (ii) Overseas Revenue includes sales to customers located outside India and earnings outside India.

The required disclosure is as follows:-

Information about Secondary Business Segments

(₹ in lacs)

Description	Six months period ended 31.03.2014			Year ended 30.09.2013		
	Domestic	Overseas	Total	Domestic	Overseas	Total
(i) Revenue by geographical market	95,970.25	50,412.34	146,382.59	137,722.37	117,801.74	255,524.11
(ii) Carrying amount of segment assets	256,041.67	39.75	256,081.42	239,794.84	21.37	239,816.21
(iii) Addition to fixed assets	3,308.90	0.91	3,309.81	7,557.56	-	7,557.56

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 32 : RELATED PARTY TRANSACTIONS

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

I Description and Name of Related Parties

Description of Relationship	Name
Holding Company	None
Subsidiaries 100% Share holding	Saraswati Sugar Mills Limited Isgec Covema Limited Isgec Exports Limited Isgec Engineering & Projects Ltd.
Joint Venture with 51 % share holding	Isgec Hitachi Zosen Limited (Refer note 12.1)
Entities over which Directors and their relatives can exercise significant influence	Yamuna Syndicate Limited Kamla Puri Charitable Trust Kamla Puri Charitable Foundation Blue Water Enterprises
Key Management Personnel	Mr. Aditya Puri (Managing Director) Mrs. Nina Puri (Whole-time Director)
Relatives of Key Management Personnel	Mr. Ranjit Puri (Chairman), (Husband of Mrs. Nina Puri Whole-time Director & Father of Mr. Aditya Puri, Managing Director) Mrs. Tanupriya Puri (wife of Mr. Aditya Puri, Managing Director)

II Related Party Transactions

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Purchase of goods		
-Subsidiaries		
Saraswati Sugar Mills Ltd.	-	16.69
-Joint Venture		
Isgec Hitachi Zosen Limited	71.56	752.24
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	83.25	164.50
Total	154.81	933.43

Notes to the Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
b) Sale of goods		
-Subsidiaries		
Saraswati Sugar Mills Ltd.	92.84	1,389.81
-Joint Venture		
Isgec Hitachi Zosen Limited	40.55	208.63
Total	133.39	1,598.44
c) Purchase of fixed Assets		
-Subsidiaries		
Isgec Covema Limited	-	18.15
-Joint Venture		
Isgec Hitachi Zosen Limited	16.59	-
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.05	14.59
Total	16.64	32.74
d) Rendering of services		
-Subsidiaries		
Saraswati Sugar Mills Ltd.	-	22.76
-Joint Venture		
Isgec Hitachi Zosen Limited	80.07	86.34
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	14.20	26.27
Total	94.27	135.37
e) Services received		
-Joint Venture		
Isgec Hitachi Zosen Limited	64.69	4,373.02
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.15	0.02
Total	64.84	4,373.04

Notes to the Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
f) Rent received		
-Joint Venture		
Isgec Hitachi Zosen Limited	1,249.80	2,499.60
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.19	0.39
Total	1,249.99	2,499.99
g) Rent Paid		
-Entities over which key management personnel can exercise significant influence		
Blue Water Enterprises	30.05	56.17
Total	30.05	56.17
h) Remuneration to Directors		
-Key management personnel		
Mr. Aditya Puri (Managing Director)	390.73	575.55
Mrs. Nina Puri (Wholetime Director)	390.73	575.55
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	0.44	0.75
Total	781.90	1,151.85
i) Interest paid		
-Key management personnel		
Mr. Aditya Puri (Managing Director)	-	0.52
Mrs. Nina Puri (Wholetime Director)	-	-
-Relatives of Key management personnel		
Mr. Ranjit Puri (HUF)	0.03	0.03
Total	0.03	0.55
j) Interest Received		
-Subsidiaries		
Saraswati Sugar Mills Ltd.	5.42	197.21
Total	5.42	197.21

Notes to the Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	As at 30.09.2014	As at 30.09.2013
k) Amount payable as at year end		
-Joint Venture		
Isgec Hitachi Zosen Limited	93.14	448.03
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	9.22	15.04
-Key management personnel		
Mr. Aditya Puri (Managing Director)	367.27	523.07
Mrs. Nina Puri (Wholetime Director)	377.46	547.37
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	0.11	0.23
Mr. Ranjit Puri (HUF)	0.66	0.66
Total	847.86	1,534.40
l) Amount receivable as at year end		
-Subsidiaries		
Saraswati Sugar Mills Ltd.	19.03	857.58
-Joint Venture		
Isgec Hitachi Zosen Limited	749.71	431.05
-Entities over which key management personnel can exercise significant influence		
Blue Water Enterprises	10.11	10.11
Total	778.85	1,298.74
m) Investment as at year end		
-Subsidiaries		
Saraswati Sugar Mills Ltd.	7,009.99	7,009.99
Isgec Engineering & Projects Ltd.	330.00	330.00
Isgec Covema Ltd.	200.00	199.99
Isgec Exports Ltd	10.00	10.00
-Joint Venture		
Isgec Hitachi Zosen Limited	5,100.00	5,100.00
Total	12,649.99	12,649.98

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 33.1: LEASE RENT CHARGES

The Company has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Accounting Standard (AS-19) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Residential premises	89.90	99.02
b) Commercial premises	194.24	373.03
c) Plant and machinery	2.55	5.41
Total	286.69	477.46

Note 33.2 : LEASE RENT INCOME

(a) The Company has given on lease factory, land and plant and machinery under operating lease. In accordance with Accounting Standard (AS-19) on 'Leases' disclosure of the future minimum lease income under non cancellable operating leases in the aggregate and for each of the following periods:

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(i) Not later than one year	2,501.40	2,499.60
(ii) Later than one year and not later than five years	9,999.80	9,998.40
(iii) Later than five years	7,498.80	8,748.60
Total	20,000.00	21,246.60

Note 34 : VALUE OF IMPORTS ON C.I.F. BASIS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Raw Materials	5,519.33	5,167.31
Components & Spare Parts	2,014.27	1,523.25
Goods for resale	2,026.95	758.87
Capital Goods	581.50	1,412.89
Total	10,142.05	8,862.32

Note 35 : EARNINGS IN FOREIGN EXCHANGE

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Export of Goods & Services on F.O.B basis	48,893.33	112,870.70

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 36 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Travelling Expenses	669.43	1,413.79
Royalty	393.79	279.61
Brokerage & Commission	3,154.78	4,933.68
Interest on ECB Loan (for foreign remittance)	194.37	492.20
Technical Know how	-	741.37
Others	8,154.28	13,672.80
Total	12,566.65	21,533.45

Note 37 : DIVIDEND PAID IN FOREIGN CURRENCY

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Dividend Paid in foreign currency	-	-
No. of Equity Shares held by Non Resident Shareholders	514,660	499,155
No. of Non Resident Shareholders	36	30
Year to which dividend relates	NA	NA
Dividend to Non Resident Shareholders has been paid in Indian Rupees		

Note 38 : FOREIGN CURRENCY EXPOSURES

The Company has entered into swaps/forward contracts which are not intended for trading or speculative purposes but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Particulars of forward contracts entered for hedging as at period ended are as under:		
i) Receivables	19,277.16	25,034.91
ii) Loans	9,328.39	11,756.09
b) Unhedged foreign currency exposures as at period ended are as under:		
i) Receivables	2,748.66	2,778.96
ii) Payables to Suppliers	68.54	107.74
iii) Loans	-	-

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 39 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information is as under :-

Sr. No.	Particulars	Description
a)	Products covered for Cost Audit	Ingots and Engineering Machinery
b)	Full Particulars of Cost Auditor	M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana
c)	Filling of Cost Audit Report	Six months period ended 31.03.2014 Year ended 30.09.2013
i)	Due Date of Filling of Cost Audit Report	27.09.2014 29.03.2014
ii)	Actual Date of Filling Cost Audit Report	Not yet Due 25.03.2014

Note 40 : There is no other information required to be disclosed apart from the information already disclosed, pursuant to the requirements of Schedule VI to the Companies act,1956

Note 41 : Previous year figures have been regrouped/ recast wherever considered necessary to confirm to current year classification.

Note 42 : The Company has changed its Financial Year ending on 30th September to ending on 31st March. The current Financial Year figures are for six months period from 1st October, 2013 to 31st March, 2014. The figures are therefore not comparable with those of the previous year.

Note 43.: Company Overview

Isgec Heavy Engineering Limited (the "Company") is a diversified heavy engineering Company and is engaged in manufacture of Process Plant equipments, Mechanical and Hydraulic Presses and Castings, Contract Manufacturing and execution of projects for setting up Boilers, Sugar Plants and EPC Power Plants for customers in India and abroad.

The Company is a Public limited Company and its shares are listed on Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE).

Notes to the Financial Statements as at and for the period ended 31st March, 2014

Note 44.: Significant Accounting Policies

i) Basis of Preparation of Financial Statements

The financial statements of the Company are prepared under the historical cost convention and in accordance with applicable Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of income. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

iii) Tangible Assets

- a) Tangible assets are stated at their cost less accumulated depreciation & accumulated impairment, if any
- b) The cost of an asset comprises its purchase price and any directly attributable cost for bringing the asset to working condition for its intended use & is net of recoverable duties/tax credits.
- c) Capital spares directly attributable to the assets are capitalised with the related assets.

iv) Intangible Assets

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard AS – 26 'Intangible Assets'. Costs incurred on acquisition of specialised software & technical know how are capitalised.

Intangible assets are stated at cost of acquisition less accumulated amortisation & accumulated impairment losses, if any.

v) Depreciation and Amortization

Depreciation is provided on fixed assets at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 as per the written down value method except in respect of certain Plant & Machinery which are depreciated as per the straight line method. Capital spares directly attributable to the specific fixed assets are depreciated with the cost of the assets.

Assets costing not more than ₹ 5,000/- are fully depreciated in the year of their acquisition. Intangible assets are amortised over a period not exceeding ten years on a straight line basis as per Accounting Standard – 26 on Intangible Assets.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

vi) Impairment of Assets:

- a) As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine
 - i) the provision for impairment loss, if any, required or
 - ii) the reversal, if any, required of impairment loss recognised in previous periods.
- b) Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount which is determined
 - i) in the case of an individual asset, at the higher of the net selling price and the value in use.
 - ii) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.
- c) Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life.

vii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

viii) Inventories

Raw Materials, Stores & Spares are valued at lower of weighted average cost or net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost.

Work-in-Progress and Finished Goods are valued at lower of cost or net realisable value.

Cost in case of finished goods and work-in-progress includes material cost and applicable direct manufacturing and administrative overheads. Value of finished stock is inclusive of excise duty.

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

Standing crops are valued at estimated cost of material & labour.

Profit included in closing inventory on account of inter-unit transfers is eliminated to the extent practicable.

ix) Cash and Cash Equivalents

Cash & Cash Equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value within original maturity of three months or less from date of purchase to be cash equivalent.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits with banks, excluding investment in mutual fund.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

x) Revenue Recognition

Revenue is recognised in case of traded & manufactured products on despatch of goods from the factory / other locations when substantial risks & rewards of ownership are transferred to the buyer.

Revenue in case of erection & commissioning jobs carried out is recognised on stage of completion as per the terms of related agreements / job orders.

Sales are net of inter-unit transfers except where such elimination is not practicable.

Insurance Claims, export incentives, escalation, etc. are accounted for as and when the estimated amounts recoverable can be reasonably determined as being acceptable to the concerned authorities / parties.

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

Dividend from investments in shares is recognised when the right to receive payment is established.

xi) Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

Foreign currency monetary items are reported using the closing rate. 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 the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

xii) Employee Benefits

As per AS-15 the provision for employee benefits is charged on accrual basis as under:

a) Provident Fund:

The Company operates a Provident Fund Trust for its employees where contributions are deposited on the basis of services rendered by the employees and are expensed as and when incurred.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

b) Gratuity:

The Company operates a Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance policy with the Life Insurance Corporation of India for all the employees. Provision for liability on account of gratuity being defined benefit plan, is determined as per actuarial valuation and charged to statement of Profit & Loss.

c) Leave Encashment:

Provision for leave encashment is made in respect of eligible employees as per actuarial valuation done at the balance sheet date.

d) Pension:

Liability on account of pension payable to employees covered under Company's pension scheme has been accounted for on accrual basis.

e) Superannuation

The Company operates a Superannuation fund scheme with Life Insurance Corporation of India where contributions are deposited on the basis of services rendered by employees who have opted for the scheme. These contributions are expensed on accrual basis.

xiii) 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 are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

xiv) Leases

Payments made under Leases for land, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease. Payments made under cancellable operating leases for other assets are charged to statement of profit & loss as per respective lease agreements.

Rental income is recognized on accrued basis over the lease term.

xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements as at and for the period ended 31st March, 2014

xvi) Taxation

Tax Expense/(Tax Saving) is the aggregate of current year tax and deferred tax charged (or credited) to the statement of Profit and Loss for the year in accordance with Accounting Standard- 22- "Accounting for Taxes on Income" and measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

a) Current Year Charge

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case.

b) Deferred Tax

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate to the extent the timing difference are expected to be crystallised. Deferred tax assets on account of unabsorbed losses & unabsorbed depreciation are recognised to the extent there is virtual certainty of realising such assets against future taxable income.

xvii) Provisions, Contingent Liabilities & Contingent Assets

a) Provisions

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i) the Company has a present obligation as a result of a past event,
- ii) a probable outflow of resources is expected to settle the obligation and
- iii) the amount of the obligation can be reliably estimated.

b) Contingent Liabilities

Contingent Liability is disclosed in the case of

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii) a possible obligation, unless the probability of outflow of resources is remote.

c) Contingent Assets: Contingent Assets are neither recognised, nor disclosed.

d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per our report of even date.

for S.S. Kothari Mehta & Co.

Chartered Accountants
(Firm Registration No. 000756N)

Sanjay Kumar

Deputy General Manager(Accounts)

Kishore Chatnani

Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan

Partner
M.No. 085033

S. K. Khorana

Executive Director & Company Secretary

Aditya Puri

Managing Director

Place : Noida

Dated : 26th May, 2014

Vinod K. Nagpal

Director



**CONSOLIDATED
FINANCIAL STATEMENTS**

Independent Auditor's Report on Consolidated Financial Statements of Isgec Heavy Engineering Limited and Its Subsidiaries

Independent Auditor's Report

To The Board of Directors of Isgec Heavy Engineering Limited

We have audited the accompanying consolidated financial statement of Isgec Heavy Engineering Limited, its subsidiaries and joint ventures which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period then ended, and Notes to Consolidated Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, more particularly, in accordance with requirements of Accounting Standard (AS) -21, 'Consolidated Financial Statements' and Accounting Standard (AS) - 27, 'Financial Reporting of Interests in Joint Ventures' notified by Central Government under the Companies (Accounting Standards) Rules, 2006. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of the material misstatements, whether due to error or fraud. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- b) In the case of Consolidated Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) In the case of consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

Other Matters

We did not audit the financial statements of three subsidiaries, Isgec Engineering & Project Limited, Isgec Covema Limited and Isgec Export Limited, whose financial statements reflect total assets (net) of ₹ 707.81 lacs as at 31st March, 2014 and total revenue of ₹ 9.51 lacs and net cash inflows of ₹ 10.07 lacs for the period ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors. Our opinion is not qualified in respect of this matter.

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

Place: Noida
Date: 26th May, 2014

(K. K. TULSHAN)
Partner
Membership No. 085033

CONSOLIDATED BALANCE SHEET as at 31st March, 2014

(₹ in lacs)

Particulars	Note No.	As at 31.03.2014	As at 30.09.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	735.29	736.95
(b) Reserves and Surplus	2	74,376.04	70,902.60
		75,111.33	71,639.55
(2) Minority Interest		4,095.31	4,447.13
(3) Non-current Liabilities			
(a) Long-term Borrowings	3	10,990.64	11,435.02
(b) Deferred Tax Liabilities	4	2,946.94	2,889.75
(c) Other Long-term Liabilities	5	10,656.24	10,550.68
(d) Long-term Provisions	6	13,764.83	13,273.16
		38,358.65	38,148.61
(4) Current Liabilities			
(a) Short-term Borrowings	7	37,098.78	18,607.05
(b) Trade Payables	8	84,718.48	65,755.89
(c) Other Current Liabilities	9	65,140.72	65,348.18
(d) Short-term Provisions	10	5,495.88	6,165.44
		192,453.86	155,876.56
Total		310,019.15	270,111.85
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		47,869.17	48,874.92
(ii) Intangible Assets		5,353.81	5,512.32
(iii) Capital Work-in-progress		4,071.14	1,793.21
		57,294.12	56,180.45
(b) Non-current Investments	12	311.17	311.17
(c) Deferred Tax Assets	4	924.80	703.85
(d) Long-term Loans and Advances	13	1,507.68	1,477.65
(e) Other Non-current Assets	14	198.26	2,037.01
		60,236.03	60,710.13
(2) Current Assets			
(a) Current Investments	15	14,032.67	23,798.54
(b) Inventories	16	86,022.10	49,624.17
(c) Trade Receivables	17	79,676.41	76,122.39
(d) Cash and Bank Balances	18	42,577.98	40,310.07
(e) Short-term Loans and Advances	19	24,700.76	18,786.58
(f) Other Current Assets	20	2,773.20	759.97
		249,783.12	209,401.72
Total		310,019.15	270,111.85
Notes to the financial statements	1 to 48		

The Notes referred to above form an integral part of the financial statements

As per our report of even date.

for S.S. Kothari Mehta & Co.

Chartered Accountants

(Firm Registration No. 000756N)

Sanjay Kumar

Deputy General Manager(Accounts)

Kishore Chatnani

Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan

Partner

M.No. 085033

S. K. Khorana

Executive Director & Company Secretary

Aditya Puri

Managing Director

Place : Noida

Dated : 26th May, 2014

Vinod K. Nagpal

Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the period ended 31st March, 2014
(₹ in lacs)

Particulars	Note No.	Six months period ended 31.03.2014	Year ended 30.09.2013
I. Revenue from Operations	22	172,439.57	303,237.10
Less: Excise Duty		4,385.94	9,808.34
		168,053.63	293,428.76
II. Other Income	23	2,996.05	4,296.85
III. Total Revenue		171,049.68	297,725.61
IV. Expenses:			
(a) Cost of Material Consumed	24	68,703.07	77,386.89
(b) Purchase of goods for resale		64,578.40	91,639.63
(c) Changes in Inventories of Finished Goods, Work - in - Progress and Stock - in - trade	25	(29815.56)	8,206.53
(d) Employee Benefits Expenses	26	12,984.24	23,982.88
(e) Financial Costs	27	1,610.93	2,693.76
(f) Depreciation		3,359.41	6,441.59
(g) Erection & Civil Cost		13,040.82	20,625.15
(h) Other Expenses	28	30,811.58	54,462.59
Total Expenses (IV)		165,272.89	285,439.02
V. Profit before Tax (III-IV)		5,776.79	12,286.59
VI. Tax Expense:			
(a) Current Tax	29	2,070.78	4,808.22
(b) Deferred Tax	4	(163.77)	(86.78)
		1,907.01	4,721.44
VII Profit after Tax for the period (V-VI)		3,869.78	7,565.15
Add/Less : Minority Interest in (income)/losses		351.82	618.60
Profit/(loss) for the period		4,221.60	8,183.75
VIII Basic /Diluted earning per share of ₹ 10 Each (In ₹)	30	57.31	111.05
Notes to the financial statements	1 to 48		

The Notes referred to above form an integral part of the financial statements

As per our report of even date.
for S.S. Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 000756N)

Sanjay Kumar
Deputy General Manager(Accounts)

Kishore Chatnani
Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan
Partner
M.No. 085033

S. K. Khorana
Executive Director & Company Secretary

Aditya Puri
Managing Director

Place : Noida
Dated : 26th May, 2014

Vinod K. Nagpal
Director

CONSOLIDATED CASH FLOW STATEMENT for the period ended 31st March, 2014

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
A. Cash flow from Operating activities:		
Net (loss)/profit before tax but after exceptional /extraordinary items	5,776.79	12,286.59
Adjustments for:		
Depreciation	3,359.41	6,441.59
Interest Expense	1,610.93	2,693.76
Interest Income	(1,843.72)	(2,190.22)
Income from Investment - Dividends	(205.58)	(214.30)
(Profit)/Loss on Sale/Revaluation of store	0.37	5.05
(Profit)/Loss on Fixed Assets sold (Net)	(268.93)	(154.44)
(Profit)/Loss on Sale of Investment	(549.81)	(1,305.99)
Debts / Advances Written off	-	6.22
Bad Debt w/o now realised	-	(0.03)
Liability no longer required written back	(492.76)	(950.05)
Operating profit before working capital changes	7,386.70	16,618.18
Adjustments for changes in working capital :		
- (Increase) / Decrease in Trade Receivables	(3,716.24)	(5,351.08)
- (Increase) / Decrease in Other Receivables	(4,534.71)	(1,519.61)
- (Increase) / Decrease in Inventories	(36,398.30)	5,818.66
- Increase / (Decrease) in Trade, Other Payables and Provisions	20,410.06	23,052.24
Cash generated from operations	(16,852.49)	38,618.38
- Taxes (Paid) / Received (Net of TDS)	(2,429.30)	(4,421.89)
Net cash from operating activities	(19,281.79)	34,196.49
B. Cash flow from Investing Activities		
Purchase of fixed assets	(4,657.88)	(9,889.20)
Proceeds from Sale of fixed assets	453.73	330.00
Buyback of Equity Shares	(147.64)	-
Change in Minority Interest	-	-
Sale/(Purchase) of Investments	10,315.68	(5,005.14)
Dividend Received	205.58	214.30
Interest Received (Revenue)	421.96	1,501.20
Net cash used in investing activities	6,591.43	(12,848.84)

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
C Cash flow from Financing activities:		
Proceeds/ (Repayment) from Secured loans	19,424.72	1,288.60
Proceeds/ (Repayment) of unsecured loans	(2,139.63)	5,125.40
Interest and other Borrowing cost Paid	(1,601.81)	(3,210.92)
Dividend Paid	(725.01)	(736.25)
Net cash used in financing activities	14,958.27	2,466.83
Net Increase/(Decrease) in Cash & Cash Equivalents	2,267.91	23,814.48
Cash and cash equivalents as at 30.09.2013	40,310.07	16,495.58
Cash and cash equivalents as at 31.03.2014	42,577.98	40,310.07
Cash and cash equivalents comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	183.16	227.52
Current accounts(Dividend account)	105.08	93.14
Balance with Scheduled Banks	3,417.29	2,251.28
Term Deposit & Margin Money with Banks (against Bank Guarantees & Letter of Credit issued by Bank)	38,872.45	37,738.13
	42,577.98	40,310.07

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard - 3.
- Figures in brackets indicate cash outgo.
- Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

As per our report of even date.
for S.S. Kothari Mehta & Co.
 Chartered Accountants
 (Firm Registration No. 000756N)

Sanjay Kumar
 Deputy General Manager(Accounts)

Kishore Chatnani
 Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan
 Partner
 M.No. 085033

S. K. Khorana
 Executive Director & Company Secretary

Aditya Puri
 Managing Director

Place : Noida
 Dated : 26th May, 2014

Vinod K. Nagpal
 Director

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 1 : SHARE CAPITAL

Particulars	As at 31.03.2014		As at 30.09.2013	
	Number of shares	(₹ in lacs)	Number of shares	(₹ in lacs)
Authorised				
Equity shares of ₹ 10/-each with voting rights	8,500,000	850.00	8,500,000	850.00
Issued				
Equity shares of ₹ 10/-each with voting rights	7,352,951	735.29	7,369,540	736.95
Subscribed and Fully Paid-up				
Equity shares of ₹ 10/-each with voting rights	7,352,951	735.29	7,369,540	736.95
	7,352,951	735.29	7,369,540	736.95

Notes:

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

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

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

Particulars	As at 31.03.2014		As at 30.09.2013	
	Number of shares	(₹ in lacs)	Number of shares	(₹ in lacs)
Equity Shares outstanding at the beginning of the period	7,369,540	736.95	7,369,540	736.95
Add: Issued during the period	-	-	-	-
Less: Shares bought back	16,589	1.66	-	-
Equity Shares outstanding at the close of the period	7,352,951	735.29	7,369,540	736.95

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

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

Class of shares/Name of the shareholders:	As at 31.03.2014		As at 30.09.2013	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Yamuna Syndicate Ltd.	3,297,446	44.85%	3,300,019	44.78%
(ii) Mr. Ranjit Puri (individually and/or jointly with others)	659,201	8.97%	659,201	8.94%
(iii) Mr. Aditya Puri (individually and/or jointly with others)	456,808	6.21%	456,808	6.20%
(iv) Mr. Ranjan Tandon (individually and/or jointly with others)	438,900	5.97%	438,900	5.96%

(d) 40 Equity shares of ₹ 10/- each are yet to be allotted by way of Bonus Shares on receipt of fractional certificates, value of which has been shown under capital reserve.

Note 2 : RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Capital Reserve		
Balance outstanding at the beginning of the period	0.01	0.01
Add: Additions during the period	-	-
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	0.01	0.01
(b) Capital Redemption Reserve		
Balance outstanding at the beginning of the period	1.58	1.58
Add: Additions during the period	1.66	-
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	3.24	1.58
(c) Securities Premium Account		
Balance outstanding at the beginning of the period	450.22	450.22
Add: Additions during the period	-	-
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	450.22	450.22

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	As at	
	31.03.2014	30.09.2013
(d) General Reserve		
Balance outstanding at the beginning of the period	16,922.47	15,965.68
Add: Additions during the period	462.52	956.79
Less: Utilised during the period	-	-
Balance outstanding at the close of the period	17,384.99	16,922.47
(e) Surplus in Statement of Profit and Loss		
Balance outstanding at the beginning of the period	53,528.32	47,044.08
Add: Corporate Dividend Tax on Proposed Final Dividend of Saraswati Sugar Mills Ltd for year ended 30.09.2012 not approved by shareholders.	-	120.93
Add: Additions during the period	4,221.60	8,183.75
Less: Appropriations		
- Proposed Dividend - @ ₹ 7/- per share (Previous year @ ₹ 10 per share)	514.71	736.95
- Dividend Tax	87.47	126.70
- Transfer to Capital Redemption Reserve	1.66	-
- Paid for Buyback of Equity Shares	145.98	-
- Transfer to General Reserve	462.52	956.79
Balance outstanding at the close of the period	56,537.58	53,528.32
Total	74,376.04	70,902.60

Note 3 : LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2014			As at 30.09.2013		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Term loan						
(a) From Banks						
External Commercial Borrowings	6,869.89	-	6,869.89	7,065.98	-	7,065.98
Refer Note-3.1 below						
(b) Deposits - Refer Note 3.3 below						
Public	-	3,773.92	3,773.92	-	3,974.35	3,974.35
Shareholders	-	337.98	337.98	-	385.84	385.84
Directors	-	8.85	8.85	-	8.85	8.85
TOTAL	6,869.89	4,120.75	10,990.64	7,065.98	4,369.04	11,435.02

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 3.1 : Particulars of External Commercial Borrowing

(₹ in lacs)

Initial Loan Amount	Term Loan outstanding as at 31.03.14	Current maturity	Long term	Rate of Interest (p.a.)	Term of repayment	Security
1198.00	- (74.89)	- (74.89)	- -	7.51%	Repayable in quarterly installments of ₹ 74.89 lacs each. Last installment of ₹ 74.89 lacs due on 31.12.2013 is paid.	First charge on movable and immovable fixed assets of the company located at Dahej unit of the Company.
980.00	122.50 (245.00)	122.50 (245.00)	- -	9.40%	Repayable in quarterly installments of ₹ 61.25 lacs each. Last payment of ₹ 122.50 lacs is due on 09.06.2014	First charge on movable and immovable fixed assets of the company located at Dahej unit of the Company.
1446.00	90.41 (271.24)	90.41 (271.24)	- -	9.60%	Repayable in quarterly installments of ₹ 90.41 lacs. Last installment of ₹ 90.41 lacs is due on 23.06.2014	First charge on movable and immovable fixed assets of the company located at Dahej unit of the company.
5658.00	2,192.48 (2,923.30)	1,461.65 (1,461.65)	730.83 (1,461.65)	8.23%	Repayable in quarterly installments. First installment of ₹ 176.81 lacs was due and paid on 24.10.2011 and balance repayable in equal quarterly installments of ₹ 365.41 lacs. Last installment of ₹ 365.41 lacs will be due on 22.07.2015	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
9890.00	6,923.00 (8,241.67)	2,637.34 (2,637.34)	4,285.66 (5,604.33)	7.10%	Repayable in quarterly installments. First installment of ₹ 329.67 lacs was due and paid on 05.01.2013 and balance in equal installments of ₹ 659.33 lacs. Last payment of ₹ 329.67 lacs due on 05.10.2016	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
1853.40	1,853.40 -	- -	1,853.40 -	11.20%	Repayable in quarterly installments. First installment of ₹ 115.84 lacs is due on 22.04.2015 and balance in equal installments of ₹ 115.84 lacs. Last payment of ₹ 115.84 lacs due on 22.10.2018	Exclusive charge on specific movable and immovable fixed assets of Isgec Hitachi Zosen Limited and Corporate Guarantee By Isgec Heavy Engineering Limited for USD 6.00 million
Total	11,181.79 (11,756.10)	4,311.90 (4,690.12)	6,869.89 (7,065.98)			

Note 3.2: Particulars of Sugar Development Fund Loan

(₹ in lacs)

Title	Loan outstanding as on 31.03.14	Current maturity	Short term	Long term	Term of repayment	Security
Sugar Development Fund Loan	62.50 (62.50)	62.50 (62.50)	- -	- -	Repayable in May 2014	Unsecured

Note 3.3: Particulars of Public Deposit

(₹ in lacs)

Deposits	Deposit outstanding as on 31.03.14	Current maturity	Short term	Long term	Period of Deposit : Rate of Interest (p.a.)	Term of repayment	Security
Public	5,009.49 (5,487.78)	1,221.96 (1,494.92)	13.61 (18.51)	3,773.92 (3,974.35)			
Shareholder	383.01 (452.30)	44.32 (63.35)	0.71 (3.11)	337.98 (385.84)	6 Months 6.00%	Repayment on due maturity date	Unsecured
Director	9.51 (9.51)	0.66 (0.66)	- -	8.85 (8.85)	1 Year 6.00%		
					2 Year 7.00%		
Total	5,402.01 (5,949.59)	1,266.94 (1,558.93)	14.32 (21.62)	4,120.75 (4,369.04)	3 Year 9.00%		

Note 3.4 : Figures in parenthesis pertains to previous year.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 4 : DEFERRED TAX

The Company estimates the Deferred tax (charge)/ credit for the period using the applicable tax rate based on the impact of timing differences between items in the financial statements and the estimated taxable income for the current year. The movement in provision for Deferred tax is given below:-

(₹ in lacs)

Element of Deferred Tax	As at 01.10. 2012	Credit / (Charge) during the year	As at 01.10.2013	Credit / (Charge) during the period	As at 31.03.2014
Depreciation	(3,479.24)	(223.46)	(3,702.70)	33.22	(3,669.48)
Business Loss	-	645.35	645.35	221.42	866.77
Other Timing Differences	1,206.56	(335.11)	871.45	(90.87)	780.58
Net Deferred Tax	(2,272.68)	86.78	(2,185.90)	163.77	(2,022.13)

	As at 31.03.2014	As at 30.09.2013
Amount Recognised in Balance Sheet		
Deferred Tax Liabilities (Item No. I- 3 (b))	(2,946.94)	(2,889.75)
Deferred Tax Assets (Item No. II- 1 (c))	924.80	703.85
	(2,022.14)	(2,185.90)

Note 5 : OTHER LONG TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Trade Payables		
(i) To Micro & Small Enterprises	-	-
(ii) To Other than Micro & Small Enterprises	-	-
(b) Others:		
(i) Interest accrued but not due on Public Deposits	372.76	302.17
(ii) Advance from Customers	10,085.46	10,068.14
(iii) Security and Other Deposits	198.02	180.37
(iv) Sundries	-	-
Total	10,656.24	10,550.68

Note 6 : LONG-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Provision for Employee Benefits:		
(i) Provision for Leave Encashment (unfunded) (Refer Note 26.1)	1,285.72	1,258.87
(ii) Provision for Pension (Unfunded)	1,483.53	1,520.90
(iii) Provision for Gratuity (Funded) (Refer Note 26.1)	-	280.44
(b) Provision Others		
(i) Provision for Performance Warranties/ After Sales Service (Refer Note 6.1)	10,995.58	10,212.95
Total	13,764.83	13,273.16

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 6.1 : MOVEMENT OF PROVISION FOR LIABILITIES

Disclosure in terms of Accounting Standard AS - 29 on Provisions, Contingent Liabilities and Contingent Assets:-

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Movement of provision for Performance Warranties / After Sales Services		
(i) Opening Balance	14,298.42	13,691.87
(ii) Provided for during the period	2,134.75	5,028.51
(iii) Used during the period	(1,379.05)	(3,818.65)
(iv) Reversed during the period	(180.31)	(603.32)
(v) Closing Balance	14,873.81	14,298.41
(b) Timing of outflow/uncertainties	Outflow on claims to be made by Customers.	

Note 7 : SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Secured		
(i) Cash Credit (Refer note 7.1 and 7.2)	15,584.46	3,585.43
(ii) Buyers' Credit (Refer note 7.1)	-	-
(iii) Packing Credit Loan from Banks (Refer Note 7.1 & 7.3)	15,000.00	7,000.00
	30,584.46	10,585.43
(b) Unsecured		
(i) Public Deposits (Refer note 3.3)		
Public	13.61	18.51
Shareholders	0.71	3.11
Related Parties	-	-
(ii) Packing Credit Loan from Banks (Refer Note 7.3)	6,500.00	8,000.00
	6,514.32	8,021.62
Total	37,098.78	18,607.05

Note 7.1 : Secured by hypothecation/pledge of inventories and by a charge on book debts and other assets, on pari passu basis to working capital consortium bankers.

Note 7.2 : Repayable on demand.

Note 7.3 : Average rate of interest on Packing Credit Loans from Banks is 7.37 %.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 8 : TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) To Micro & Small Enterprises (Refer Note 8.1)	146.25	78.76
(b) To Other than Micro & Small Enterprises	84,508.39	65,636.91
(c) To Related Parties	63.84	40.22
Total	84,718.48	65,755.89

Note 8.1 : TRADE PAYABLES TO MICRO AND SMALL ENTERPRISES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Amount remaining unpaid to any supplier		
Principal Amount	146.25	78.76
Interest due thereon	-	-
(b) Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006	0.03	0.06
(c) Interest due (Other than (b) above)	-	-
(d) Interest accrued and unpaid	-	-
(e) Interest due and payable till actual payment	-	-

Note 9 : OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Current maturities of long-term debt *		
(i) External Commercial Borrowing (Refer note 3.1)	4,311.90	4,690.12
(ii) Sugar Development Fund (Refer note 3.2)	62.50	62.50
(iii) Deposits (Refer note 3.3)		
Public	1,221.96	1,494.92
Shareholders	44.32	63.35
Directors	0.66	0.66
(b) Interest accrued but not due on borrowings	552.54	602.18
(c) Advance from customers	51,169.45	51,604.54
(d) Unpaid dividends	105.08	93.14
(e) Unpaid matured deposits	121.38	162.80

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(f) Interest accrued on unpaid matured deposits	35.00	46.83
(g) Creditors for Capital expenditure	717.96	319.17
(h) Other creditors	814.34	918.87
(i) Other creditors related parties	1.19	0.89
(j) Statutory remittances	1,917.53	1,435.38
(k) Security and Other Deposits	360.86	196.40
(l) Director's Current Account	3.24	3.45
(m) Book Overdraft	11.62	103.67
(n) Director's Remuneration	742.18	1,068.31
(o) Payables to Employees	1,426.71	909.58
(p) Other Liabilities	1,520.30	1,571.42
Total	65,140.72	65,348.18

* For details of Security for Current maturities of long term debt please refer Note 3.1

Note 10 : SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31.03.2014		As at 30.09.2013	
(a) Provision for Employee Benefits:				
(i) Provision for Leave Encashment (Unfunded) (Refer note 26.1)		148.02		137.61
(ii) Provision for Pension (Unfunded)		198.06		185.33
(iii) Provision for Gratuity (Funded) (Refer Note 26.1)		11.38		-
(iv) Provision for Contribution to Superannuation Fund (Funded)		-		3.56
(b) Provision Others				
(i) Provision for Performance Warranties / After Sales Services (Refer Note 6.1)		3,878.23		4,085.46
(ii) Provision for Income Tax :				
Provision for Income Tax	4,568.21		4,808.22	
Less: Prepaid Taxes	3,910.20	658.01	3,791.69	1,016.53
(iii) Provision for Proposed Equity Dividend		514.71		736.95
(iv) Provision for Tax on Proposed Dividend		87.47		-
Total		5,495.88		6,165.44

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2014

Note 11 : FIXED ASSETS

	(₹ in Lacs)									
	Gross Block			Depreciation				Net Block		
	Balance as at 01.10.2013	Additions	Deductions/ Adjustments	Balance as at 31.03.2014	Balance as at 01.10.2013	For Six Months period ended	Deduction on disposal of assets	Balance as at 31.03.2014	Balance as at 31.03.2014	Balance as at 30.09.2013
Tangible Assets										
Land (Free Hold)	5,603.20	5.72	8.75	5,600.17	-	-	-	-	5,600.17	5,603.20
Land (Lease Hold)	2,657.89	-	-	2,657.89	461.58	35.75	-	497.33	2,160.56	2,196.31
Buildings and Roads	17,226.09	457.22	0.01	17,683.30	6,348.32	460.95	0.01	6,809.26	10,874.04	10,877.77
Plant and Machinery	53,817.29	1,219.35	168.44	54,868.20	25,685.58	2,156.15	15.40	27,826.33	27,041.87	28,131.71
Furniture & Fixtures	1,264.17	36.78	1.87	1,299.08	806.59	43.72	1.65	848.66	450.42	457.58
Vehicles	1,839.72	129.36	59.86	1,909.22	1,096.53	105.42	43.87	1,158.08	751.14	743.19
Office equipments	3,191.60	262.75	34.10	3,420.25	2,326.44	130.14	27.30	2,429.28	990.97	865.16
TOTAL	85,599.96	2,111.18	273.03	87,438.11	36,725.04	2,932.13	88.23	39,568.94	47,869.17	48,874.92
Previous Year - Tangible Assets	75,718.03	10,299.92	417.99	85,599.96	31,269.88	5,697.59	242.43	36,725.04	48,874.92	-
Intangible Assets										
Goodwill	342.10	-	-	342.10	342.10	-	-	342.10	-	-
Software (Acquired)	1,377.96	268.23	-	1,646.19	864.80	104.10	-	968.90	677.29	513.16
Technical Know How (Acquired)	6,582.21	0.56	-	6,582.77	1,583.05	323.20	-	1,906.25	4,676.52	4,999.16
TOTAL	8,302.27	268.79	-	8,571.06	2,789.95	427.30	-	3,217.25	5,353.81	5,512.32
Previous Year - Intangible Assets	5,605.60	2,696.67	-	8,302.27	2,045.90	744.05	-	2,789.95	5,512.32	-
GRAND TOTAL	93,902.23	2,379.97	273.03	96,009.17	39,514.99	3,359.43	88.23	42,786.19	53,222.98	54,387.24
PREVIOUS YEAR	81,323.63	12,996.59	417.99	93,902.23	33,315.78	6,441.64	242.43	39,514.99	54,387.24	-

Notes :

1. Borrowing costs capitalised during the year Rs.Nil (Previous year Nil)
2. Cost of software includes Purchase Price, Duties & taxes (Other than recoverable from taxing authorities).
3. Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/ rearranged wherever considered necessary.
4. Depreciation capitalised during the year Rs.Nil (Previous year Nil lacs)
5. Useful Life of Additions under Software is 5 years and for technical know how is 10 years.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 12 : NON-CURRENT INVESTMENTS - AT COST

Particulars	Face Value (₹)	As at 31.03.2014		As at 30.09.2013	
		No. of Shares	Value (₹ in lacs)	No. of Shares	Value (₹ in lacs)
Investments (at cost)					
a) Other Companies (Quoted) - Non Trade:					
Haryana Oxygen Limited	10	-	-	2500	0.25
Less : Provision for diminution in the value of Investment		-	-	-	(0.25)
DCM Shriram Industries Ltd. (Market Value ₹ 138.33 lacs (Previous Year ₹ 80.03 lacs))	10	265000	304.75	265000	304.75
Reliance Industries Ltd. (Market Value ₹ 6.54 lacs (Previous Year ₹ 5.79 lacs))	10	704	3.36	704	3.36
Reliance Power Ltd (Market Value ₹ 0.61 lacs (Previous Year ₹ 0.59 lacs))	10	872	2.46	872	2.46
b) Other Investment (unquoted) - Trade					
Post Office Saving Account			0.60		0.60
Total			311.17		311.17
Aggregate Value of Investments :					
Quoted (Aggregate market value ₹ 145.48 lacs (Previous year ₹ 86.41 lacs))			310.57		310.82
Provision for diminution in value of Investments			-		(0.25)
Unquoted			0.60		0.60
Total			311.17		311.17

Note 13: LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2014			As at 30.09.2013		
	Secured, considered good	Unsecured, considered good	Total	Secured, considered good	Unsecured, considered good	Total
(a) Capital Advance	-	430.40	430.40	-	142.92	142.92
(b) Security Deposits						
- to Others	104.12	572.05	676.17	-	937.30	937.30
- to Related Parties	-	10.11	10.11	-	10.11	10.11
(c) Loans and Advances to employees	253.41	134.31	387.72	265.84	114.75	380.59
(d) Income Tax on Cumulative Deposit Scheme	-	3.28	3.28	-	2.41	2.41
(e) Advance to suppliers	-	-	-	-	2.43	2.43
(f) Prepaid Expenses	-	-	-	-	1.89	1.89
Total	357.53	1,150.15	1,507.68	265.84	1,211.81	1,477.65

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 14 : OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
(a) Long-term Trade Receivables		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	162.22	-
(b) Security and Other Deposits	-	-
(c) Preoperative Expenses	22.73	33.94
(d) Others (Refer Note 18.1(b)(iii) & Note 18.1(a)(iv))	13.31	2,003.07
Total	198.26	2,037.01

Note 15 : CURRENT INVESTMENTS

Particulars	Face Value (₹)	As at 31.03.2014		As at 30.09.2013	
		No. of Units	Value (₹ in lacs)	No. of Units	Value (₹ in lacs)
Investments (at cost) - Non Trade					
Investment in Mutual Funds (Unquoted)					
Axis Liquid Fund - Direct - Growth	1000	-	-	44810.804	606.14
Axis Short Term Fund -Growth	10	-	-	7752719.266	1,000.00
Birla Sunlife Dynamic Bond Fund - Retail- Growth - Regular Plan	10	4942586.761	1,013.86	7359633.710	1,500.00
DWS Short Maturity Fund - Regular Plan - Annual Bonus	10	4182952.688	601.25	2788635.125	601.25
DWS Treasury Fund - Investment - Regular Plan - Bonus	10	738222.041	-	4023589.381	401.43
DSP Strategic Bond Fund - Direct Plan - Growth	1000	-	-	70467.351	1,000.00
DSP Blackrock Money Manager - Regular Plan - Growth	1000	-	-	36685.187	594.86
DSP Blackrock Liquidity Fund -Direct - Growth	1000	28485.162	520.49	-	-
DSP Blackrock FMP - Series 152-12.5M-Dir - Growth	10	5000000.000	500.00	-	-
Templeton India Treasury Management A/c Super Inst. Plan - Growth	1000	-	-	5638.763	100.00
HDFC Quarterly Interval Fund - C - Retail Plan - Direct - Growth	10	-	-	6326780.175	1,040.00
HDFC Short Term Opportunities Fund - Growth	10	-	-	7886237.394	1,015.37
HDFC FMP 90D Aug 2013 (1) Series 27- Direct 27- Normal Dividend	10	-	-	6000000.000	600.00
HDFC FMP 90D Sept 2013 (1) Series 27- Direct 27- Normal Dividend	10	-	-	3501510.000	350.15
ICICI Prudential Blended Plan B - Regular Plan - Growth Option - I	10	-	-	3274068.686	588.55

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Particulars	Face Value (₹)	As at 31.03.2014		As at 30.09.2013	
		No. of Units	Value (₹ in lacs)	No. of Units	Value (₹ in lacs)
ICICI Prudential Intvl II Qtrly Intvl Plan F-Direct Plan- Growth	10	3655665.000	500.00	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	100	119430.461	206.57	-	-
JP Morgan India Liquid Fund - Direct Plan - Growth	10	601818.696	100.00	-	-
Kotak Floater Short Term - Direct Plan - Growth	1000	23977.824	500.00	-	-
SBI Magnum Income Fund- Regular Plan - Growth	10	4321284.311	1,256.64	9722676.248	2,800.00
SBI Premier Liquid Fund - Regular Plan - Growth	1000	119394.832	2,403.38	62342.936	1,200.00
SBI Short Term Debt Fund- Regular Plan - growth	10	-	-	10957863.363	1,500.00
SBI Debt Fund Series A 14 - 380 days -Regular - Growth	10	5000000.000	500.00	-	-
SBI Debt Fund Series A 16 - 366 days -Regular-Growth	10	6000000.000	600.00	-	-
SBI Debt Fund Series A 8 - 30 days -Direct - Growth	10	5000000.000	500.00	-	-
Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth	1000	148615.264	4,624.61	60643.694	1,806.58
Reliance Liquid Fund-Treasury Plan-Direct Daily Dividend Reinvestment	1000	-	-	67238.436	1,029.27
Reliance Monthly Interval Fund - Series I -Growth	10	-	-	6144468.749	1,000.00
Reliance Monthly Interval Fund - Series II -Growth	10	-	-	9239183.995	1,500.00
Reliance Monthly Interval Fund - Series I-Direct Daily Dividend Reinvestment	10	-	-	7496909.460	749.94
Reliance Quarterly Interval Fund - Series II -Growth	10	-	-	3040900.106	500.00
Reliance Quarterly Interval Fund - Series II-Direct Daily Dividend Reinvestment	10	-	-	3148621.902	315.00
Reliance Short Term Fund -Growth Option	10	-	-	9005723.137	2,000.00
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	1000	9942.677	205.87	-	-
Total			14,032.67		23,798.54
Aggregate Value of Investments :					
Unquoted			14,032.67		23,798.54
Quoted			-		-
Provision for diminution in value of Investments			-		-
Total			14,032.67		23,798.54

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 16: INVENTORIES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
Raw Materials (at lower of cost or net realisable value)	18,177.42	14,577.32
Raw Material in Transit (at lower of cost or net realisable value)	1,951.39	298.68
Stores and Spares Parts (at lower of cost or net realisable value)	3,706.49	2,863.50
Stores in transit (at lower of cost or net realisable value)	7.72	9.51
Goods for Resale in Transit (at lower of cost or net realisable value)	994.14	481.77
Work-in-Progress :		
a) Engineering Goods (at lower of cost or net realisable value)	31,073.20	18,150.01
b) Ingots and Steel Castings (at lower of cost or net realisable value)	1,452.02	1,482.43
c) Erection (at lower of cost or net realisable value)	2,246.71	1,340.95
d) Sugar (at lower of cost or net realisable value)	104.43	22.69
Finished Stock :		
i) Ingots and Steel Castings (at lower of cost or net realisable value)	103.94	55.49
ii) Trading Goods	-	38.88
iii) Sugar (at lower of cost or net realisable value)	25,143.07	10,136.10
iv) Molasses (Average net realisable value)	1,035.16	116.42
Loose Tools (at lower of cost or net realisable value)	16.32	38.44
Farm Stock & Standing Crops (at estimated market value and at estimated cost respectively)	10.09	11.98
Total	86,022.10	49,624.17

Note 17 : TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	13,203.88	13,975.50
Unsecured, considered doubtful	88.70	88.70
	13,292.58	14,064.20
Less: Provision For Doubtful Debts	88.70	88.70
	13,203.88	13,975.50
Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	66,472.53	62,146.89
Unsecured, considered doubtful	-	-
	66,472.53	62,146.89
Less: Provision For Doubtful Debts	-	-
	66,472.53	62,146.89
Total	79,676.41	76,122.39

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 18 : CASH AND BANK BALANCES

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Cash and Cash equivalents		
(i) Cash in hand	29.65	40.58
(ii) Cheques, Drafts in hand	153.51	186.94
(iii) Balance with Banks:		
In Current and Cash Credit Accounts	3,417.29	2,251.28
In Fixed Deposits Accounts (Refer Note 18.1 (a) (i))	31.51	7,960.75
	3,631.96	10,439.55
b) Other Bank Balances		
(i) In Fixed Deposits Accounts (Refer Note 18.1 (a) (ii))	34,971.15	26,556.15
(ii) In Fixed Deposits Accounts (Refer Note 18.1(b))	3,069.79	3,221.23
(iii) In Fixed Deposits Accounts (Refer Note 18.1(a)(iii))	800.00	-
(iv) In earmarked Accounts:		
-Unpaid Dividend Accounts	105.08	93.14
	38,946.02	29,870.52
Total	42,577.98	40,310.07

Note 18.1 : FIXED DEPOSITS WITH BANKS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) Free From any Lien		
i) Maturing within 3 months from date of deposit (Classified as cash and cash equivalents)	31.51	7,960.75
ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (Classified as other bank balance)	34,971.15	26,556.15
iii) Maturing within 3 months from date of deposit - ECB Loan surplus fund parked separately (Classified as other bank balance)	800.00	-
iv) Maturing after one year of Balance Sheet date (Classified as and included in non current asset)	-	2,000.00
	35,802.66	36,516.90
b) Under Lien		
i) Maturing within 3 months from date of deposit (Classified as other bank balances)	1,925.74	1,550.00
ii) Maturing after 3 months from date of deposit but within one year of Balance Sheet date (Classified as other bank balance)	1,144.05	1,671.23
iii) Maturing after one year of Balance Sheet date (Classified as and included in non current asset)	9.17	-
	3,078.95	3,221.23
Total	38,881.61	39,738.13

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 19 : SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2014			As at 30.09.2013		
	Secured, considered good	Unsecured, considered good	Total	Secured, considered good	Unsecured, considered good	Total
Loans and Advances to employees	103.22	546.94	650.16	63.75	594.75	658.50
Balance with Government Department and Others	-	4,592.72	4,592.72	-	3,635.98	3,635.98
Security Deposit	27.88	327.30	355.18	31.03	188.64	219.67
Prepaid Expenses	-	1,143.91	1,143.91	-	1,373.79	1,373.79
Advance to Suppliers						
- to Others	70.30	14,798.11	14,868.41	-	11,063.55	11,063.55
- to Related Parties	-	-	-	-	-	-
Export Incentive Receivable	-	2,392.39	2,392.39	-	1,606.06	1,606.06
Isgec Group Gratuity Fund	-	207.21	207.21	-	-	-
Other advances	-	490.78	490.78	-	229.03	229.03
Total	201.40	24,499.36	24,700.76	94.78	18,691.80	18,786.58

Note 20 : OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
Interest accrued but not due on Deposits	2,136.91	715.15
Preoperative Expenses	15.38	15.54
Others	620.91	29.28
Total	2,773.20	759.97

Note 21 : CONTINGENT LIABILITIES & COMMITMENTS

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
I Contingent Liabilities:		
a) Claims against the Group not acknowledged as debts (including sales tax under dispute)	1,112.69	1,378.48
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	19,382.14	32,139.44
c) Bills discounted with Banks / Financial Institutions outstanding at the year end	1,306.50	2,718.90
II Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	788.93	1,886.95

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 22 : REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Sale of products		
-Sale of Engineering Goods (Refer Note 22.1)	133,468.83	234,048.88
-Sale of Sugar and by Products (Refer Note 22.1)	23,016.85	46,328.12
Erection, Commissioning and other receipts	11,428.36	15,944.97
Other operating revenues (Refer Note 22.2)	4,525.53	6,915.13
Total	172,439.57	303,237.10
Less: Excise Duty	4,385.94	9,808.34
Net	168,053.63	293,428.76

Note 22.1 : SALE OF PRODUCTS(NET OF EXCISE DUTY)

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Sale of Engineering Goods		
Mechanical & Hydraulic Presses	6,712.83	17,016.85
Boiler Drums, Boiler Parts & Piping	12,015.35	21,427.25
Pressure Vessels, Columns, Reactors, Heat Exchangers	16,622.90	35,093.53
Ingots	99.11	278.65
Steel Castings	4,551.81	11,748.75
Boiler, Sugar & Power Plants	90,017.97	140,414.83
Total	130,019.97	225,979.86
Sale of Sugar and by products		
Sugar	19,051.24	40,871.71
Molasses	2,181.83	3,423.82
Sale of By Products	846.70	293.27
Total	22,079.77	44,588.80

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 22.2 : OTHER OPERATING REVENUE

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Commission Earned	89.91	155.32
Export Incentive	2,006.75	4,198.72
Packing Receipts	12.78	46.64
Unclaimed Balances Written off	74.66	166.08
Excess Provision Written Back	418.10	783.97
Bad Debt w/o now realised	-	0.03
Scrap and Waste Sale	1,065.41	1,385.95
Profit on sale of stores	-	-
Foreign Exchange Fluctuations	381.99	-
Others	475.93	178.42
Total	4,525.53	6,915.13

Note 23 : OTHER INCOME

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Interest Income		
- Other Interest Income	40.38	196.92
- On Bank Deposits	1,803.34	1,993.27
- Reimbursement of Excise duty Interest	-	0.03
Dividend Income on Investments		
Long Term - Non Trade		
- Other Companies	-	4.03
Current - Non Trade		
- Mutual Funds	205.58	210.27
Net gain on sale of current investments	549.81	1,305.99
Profit on sale of Fixed Assets	286.35	210.09
Insurance Claim Receipts	29.63	124.56
Profit from Farm Operations (Refer Note No 23.1)	1.07	2.08
Other Non-operating Income	79.89	249.61
Total	2,996.05	4,296.85

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 23.1 : PROFIT FROM FARM OPERATIONS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Income:		
Sale of Farm Produce	6.31	6.30
Miscellaneous Income	0.02	0.25
Total	6.33	6.55
Expenditure:		
Salaries, Wages and Bonus	1.79	4.63
Cultivation Expenses	1.22	2.57
Miscellaneous Expenses	0.16	0.35
Repairs and Maintenance:		
- Machinery and Tractors	0.18	0.28
- Building	-	-
Depreciation	0.02	0.05
	3.37	7.88
(Increase)/Decrease in Stock	1.89	(3.41)
Total	5.26	4.47
Profit	1.07	2.08

Note 24 : COST OF MATERIALS, COMPONENTS, STORES AND SPARES CONSUMED

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Raw Materials & Components	66,302.31	72,043.70
Consumption of Stores and Spares	2,400.76	5,343.19
Total	68,703.07	77,386.89

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Opening stock		
Finished Goods	10,308.01	9,207.11
Work - in - Progress	20,996.08	30,342.39
Trading Goods	38.88	-
Total	31,342.97	39,549.50
Closing stock		
Finished Goods	26,282.17	10,308.01
Work - in - Progress	34,876.36	20,996.08
Trading Goods	-	38.88
Total	61,158.53	31,342.97
Net increase (-)/decrease	(29,815.56)	8,206.53

Note 26 : EMPLOYEES BENEFITS EXPENSES

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Salaries and wages	11,308.11	21,814.15
Contribution to Provident and other Funds (Refer Note 26(i)(a) & 26(i)(b))	1,356.68	1,577.10
Staff Welfare Expenses	319.45	591.63
Total	12,984.24	23,982.88

Note 26.1 : DETAILS OF EMPLOYEE BENEFITS EXPENSES

The disclosure of employee benefits as defined in Accounting Standard - 15 is given below:-

a) Defined Contribution Plan:

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plan:

(₹ in lacs)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Provident Fund	627.43	1,079.60	998.17	887.11	764.70
Employees State Insurance	7.15	48.51	87.62	108.11	72.07
Superannuation fund	13.51	62.08	-	-	-
Total	648.09	1,190.19	1,085.79	995.22	836.77

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

b) Defined Benefits Plan :

The liability for Employee Gratuity and Leave Encashment is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

(₹ in lacs)

Description	Gratuity (Funded)					Leave Encashment (Non-funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
i. Change in Present value of Obligation										
a. Present Value of Obligation at the beginning of the year	4,548.74	4,108.64	3,704.28	3,020.31	2,724.70	1,396.48	1,265.63	1,058.42	902.35	698.38
b. Interest cost	182.70	330.01	309.08	247.63	216.53	55.41	98.00	82.94	71.92	55.30
c. Current service cost	176.14	318.79	279.76	259.19	197.79	128.14	243.52	229.47	209.85	156.21
d. Benefits paid	(198.42)	(456.34)	(288.10)	(227.11)	(208.88)	(236.88)	(257.88)	(250.80)	(244.03)	(182.06)
e. Actuarial (gain) / loss	120.94	247.64	12.84	404.26	90.17	90.59	47.21	85.59	118.33	174.52
f. Present Value of Obligation at the end of the year	4,830.10	4,548.74	4,017.86	3,704.28	3,020.31	1,433.74	1,396.48	1,205.63	1,058.42	902.35
ii. Change in the Fair Value of Plan Assets										
a. Fair Value of Plan Assets at the beginning of the year	4,268.30	4,005.31	3,674.38	3,246.87	2,912.03	N.A.	N.A.	N.A.	N.A.	N.A.
b. Expected Return of Plan Assets	185.79	372.72	347.07	303.45	261.99	-	-	-	-	-
c. Contributions	733.02	346.01	263.52	347.90	171.62	-	-	-	-	-
d. Benefits paid	(198.41)	(454.49)	(288.10)	(227.11)	(208.88)	-	-	-	-	-
e. Actuarial Gain / (Loss) on Plan Assets	37.23	(1.25)	(7.95)	3.26	110.10	-	-	-	-	-
f. Fair Value of Plan Assets at the end	5,025.93	4,268.30	3,988.92	3,674.38	3,246.87	-	-	-	-	-
iii. Reconciliation of Fair Value of Assets and Obligations										
a. Fair Value of Plan Assets at the end of the year	5,025.93	4,268.30	3,988.92	3,674.38	3,246.87	-	-	-	-	-
b. Present Value of Obligation at the end of the year	4,830.10	4,548.74	4,017.86	3,704.28	3,020.31	1,433.74	1,396.48	1,205.63	1,058.42	902.35
c. Amount recognised in the Balance Sheet	195.83	(280.44)	(28.94)	(29.90)	226.56	(1,433.74)	(1,396.48)	(1,205.63)	(1,058.42)	(902.35)
- Current	195.83	-	-	-	-	(148.02)	(137.61)	(136.58)	(101.22)	-
- Non Current	-	(280.44)	(28.94)	(29.90)	-	(1,285.72)	(1,258.87)	(1,069.05)	(957.20)	-
iv. Expenses recognised in the statement of Profit & Loss										
a. Current Service Cost	176.14	318.79	279.76	259.19	197.79	128.14	243.52	229.47	209.85	156.21
b. Interest Cost	182.70	330.01	309.08	247.63	216.53	55.41	98.00	82.94	71.92	55.30
c. Expected Return on Plan Assets	(185.79)	(372.72)	(347.07)	(303.45)	(261.99)	-	-	-	-	-
d. Actuarial (Gain) / Loss	83.71	248.89	20.79	401.00	(19.93)	90.59	47.21	85.59	118.33	174.52
e. Expenses recognised in the Profit & Loss	256.76	524.97	262.56	604.37	132.40	274.14	388.73	398.01	400.10	386.03
v. Actuarial Assumptions										
a. Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
b. Estimated Rate of return on Plan Assets(p.a)	9.00%	9.25%	9.25%	9.00%	8.55%	-	-	-	-	-
c. Rate of Escalation in Salary (p.a)	6.50%	6.50%	6.50%	6.50%	5.50%	6.50%	6.50%	6.50%	6.50%	5.50%

c) Amounts for the current and previous four periods in respect of Gratuity & Leave Encashment are as follows:

(₹ in lacs)

Particulars	Gratuity (Funded)					Leave Encashment (Non-funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	4,830.10	4,548.74	4,017.86	3,704.28	3,020.31	1,433.74	1,396.48	1,205.63	1,058.42	902.35
Plan Assets	5,025.93	4,268.30	3,988.92	3,674.38	3,246.87	-	-	-	-	-
Surplus / (Deficit)	195.83	(280.44)	(28.94)	(29.90)	226.56	(1,433.74)	(1,396.48)	(1,205.63)	(1,058.42)	(902.35)
Experience adjustment on Plan Liabilities	(120.94)	(247.64)	(12.84)	(404.26)	(90.17)	(90.59)	(47.21)	(85.59)	(118.33)	(174.52)
Experience adjustment on Plan Assets	(29.25)	1.09	-	14.21	121.99	-	-	-	-	-

Note 26.2 : Figures for 2013-14 are for the period of six months only

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 27 : FINANCE COSTS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Interest on Borrowings		
Banks	1,185.50	2,029.18
Others	311.35	448.15
Other Borrowing Cost	114.08	216.43
Total	1,610.93	2,693.76

Note 28 : OTHER EXPENSES

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Power & Fuel	1,395.97	2,368.32
Other Manufacturing Expenses	5,775.75	10,145.15
Repairs to:		
-Machinery	395.96	834.50
-Building	291.04	641.63
-Others	50.84	48.25
Rent (Refer Note 36)	320.95	545.75
Insurance	193.05	394.70
Rates and Taxes	96.35	140.64
Commission to Selling Agents and Others	3,894.00	5,250.55
Bank Charges	663.64	1,390.96
Royalty	485.34	359.00
Electricity and Water Charges	143.28	280.80
Donation	16.77	4.62
Office and Miscellaneous Expenses	2,860.28	5,201.29
Payment to Statutory Auditors		
-Statutory audit fees	14.13	14.05
-For Company Law Matters	0.51	4.81
-For Reimbursement of expenses	1.24	1.97
Packing, Forwarding and Transportation Expenses	8,933.56	15,093.33
Design & Technical Expenses	1,950.75	1,886.60
Travelling Expenses	2,367.93	4,421.23
Managerial Remuneration	781.45	1,151.10
Directors' Commission / Fee	2.66	5.48
Rebate and Discount	158.34	101.03
Bad debts written off	-	6.22
Loss on Assets Sold / Written Off	17.42	55.65
Loss/Provision on Sales/Disposal/Diminution/ in Value of Investments/Stores	0.37	5.05
Net loss on foreign currency transactions and translations	-	4,109.91
Total	30,811.58	54,462.59

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 29 : CURRENT TAX

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Provision for Tax	2,071.07	4,808.22
Mat Credit Entitlement	(0.29)	-
Net Provision for Tax	2,070.78	4,808.22

Note 30 : EARNING PER SHARE

In accordance with Accounting Standard (AS-20) on 'Earnings Per Share' the following table reconciles the numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Net Profit / (Loss) available to Equity Shareholders (₹ in lacs)	4,221.60	8,183.75
b) Number of Weighted Equity Shares outstanding during the period for the purpose of calculation of Earning Per Share	7,366,839	7,369,540
c) Nominal value of Equity Share (In ₹)	10.00	10.00
d) Basic & Diluted Earning per Share (In ₹)	57.31	111.05

Note 31 : SEGMENT REPORTING

A. Information about Primary segments

(₹ in lacs)

	Sugar	Engineering	Unallocated	Eliminations	Total
Revenue					
External	22,175.37 (44,683.91)	145,878.26 (248,744.85)	- (-)	- (-)	168,053.63 (293,428.76)
Inter-segment	- (16.69)	92.84 (1,407.27)	- (-)	(92.84) (-1,423.96)	- (-)
Total revenue	22,175.37 (44,700.60)	145,971.10 (250,152.12)	- (-)	(92.84) (-1,423.96)	168,053.63 (293,428.76)
Results					
Segment result	-281.01 (4,799.43)	4,955.54 (6,253.98)	- (-)	- (-)	4,674.53 (11,053.41)
Unallocated expenditure net of unallocated income	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Expense					
a) External	-219.18 (-382.66)	-1,277.67 (-2,094.67)	- (-)	- (-)	-1,496.85 (-2,477.33)

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

	Sugar	Engineering	Unallocated	Eliminations	Total
b) Inter Segment	-7.84	-	-	7.84	-
	(-202.07)	(-)	(-)	(202.07)	(-)
Profit on Sale of Investments					
a) External	1.39	548.42	-	-	549.81
	(13.61)	(1,292.38)	(-)	(-)	(1,305.99)
Dividend Income					
a) External	205.58	-	-	-	205.58
	(214.24)	(0.06)	(-)	(-)	(214.30)
Interest income					
a) External	22.28	1,821.44	-	-	1,843.72
	(18.72)	(2,171.50)	(-)	(-)	(2,190.22)
b) Inter Segment	-	7.84	-	-7.84	-
	(-)	(202.07)	(-)	(-202.07)	(-)
Profit / Loss(-) before taxation and Minority Interest	-278.78	6,055.57	-	-	5,776.79
	(4,461.27)	(7,825.32)	(-)	(-)	(12,286.59)
Provision for Deferred tax	-38.02	-125.75	-	-	-163.77
	(-78.78)	(-8.00)	(-)	(-)	(-86.78)
Provision for Income tax	-221.35	2,292.13	-	-	2,070.78
	(2,214.17)	(2,594.05)	(-)	(-)	(4,808.22)
Profit / Loss(-) after taxation and before Minority Interest	-19.41	3,889.19	-	-	3,869.78
	(2,325.88)	(5,239.27)	(-)	(-)	(7,565.15)
Other Information					
Segment assets	40,767.23	269,368.47	-	-116.55	310,019.15
	(28,579.13)	(241,782.58)	(-)	(-953.71)	(269,408.00)
Segment liabilities	22,786.35	208,142.71	-	-116.55	230,812.51
	(10,578.84)	(184,400.04)	(-)	(-953.71)	(194,025.17)
Capital expenditure-External	252.13	4,405.77	-	-	4,657.90
	(1,748.40)	(8,140.85)	(-)	(-)	(9,889.25)
Inter-segment	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Depreciation	545.89	2,813.52	-	-	3,359.41
	(992.76)	(5,448.83)	(-)	(-)	(6,441.59)

Note :- Previous year figures are indicated in parenthesis.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

B. Information about Secondary Business Segments

(₹ in lacs)

	India	Outside India	Total
Revenue by geographical market			
External	118,651.27	52,398.41	171,049.68
	(179,923.87)	(117,801.74)	(297,725.61)
Total	118,651.27	52,398.41	171,049.68
	(179,923.87)	(117,801.74)	(297,725.61)
Carrying amount of segment assets	309,979.40	39.75	310,019.15
	(269,386.63)	(21.37)	(269,408.00)
Addition to fixed assets	4,656.99	0.91	4,657.90
	(9,889.25)	(-)	(9,889.25)

Note :- Previous year figures are indicated in parenthesis.

C. Notes:

Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems. Based on this the primary and secondary segments are identified below

(a) Primary Segment

(i) The Group is organized into two main business segments, namely:

- Sugar which consists of manufacture and sale of Sugar and
- Engineering which comprises of production and sales of heavy Engineering equipments, mechanical and hydraulic presses, castings and construction and erection of boilers, sugar plant and machinery and related equipment

(ii) Segment Revenue in each of the above domestic business segments primarily includes sales and other income in the respective segments.

(b) Secondary Segment

(i) The Segment Revenue in the geographical segments considered for disclosure is as follows:

- (a) Revenue within India includes sales to customers located within India and earnings in India.
- (b) Revenue outside India includes sales to customers located outside India and earnings outside India.

(c) Segment Accounting Policies:

- (i) The segment results have been prepared using the same accounting policies as per the Financial Statements of the Group.
- (ii) Unallocated assets include deferred tax, investments and interest bearing deposits.
- (iii) Unallocated liabilities include non-interest bearing liabilities and tax provisions.
- (iv) Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(d) Segment Assets and Liabilities:

While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment Liabilities include all operating liabilities and include creditors, accrued liabilities and interest bearing liabilities.

(e) Inter Segment Transfers

Segment revenues and segment results include transfers of revenue expenses between business segments. Such transfers are accounted for at competitive market prices charged from unaffiliated customers/vendors. These transfers are eliminated on consolidation.

Note 32 The Consolidated financial statements (CFS) have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements". The CFS comprises the financial statements of Isgec Heavy Engineering Limited and its subsidiaries.

Note 33 a) The list of Subsidiaries included in the Consolidated Financial Statements is as under:

Name of the Subsidiary Company	Proportion of Ownership as at March 31, 2014	Country of Incorporation
Isgec Covema Limited	100.00%	India
Saraswati Sugar Mills Limited	100.00%	India
Isgec Exports Limited	100.00%	India
Isgec Engineering & Projects Limited	100.00%	India
Isgec Hitachi Zosen Limited (See Note e)	51.00%	India

b) The reporting dates for all the above companies are 31st March 2014. The Company and its subsidiaries, Saraswati Sugar Mills Limited and Isgec Engineering & Projects Limited has changed their Financial Year ending on 30th September to 31st March. The current Financial Year figures are for six months period from 1st October, 2013 to 31st March, 2014. The financial statements are adjusted for significant inter company transactions from the date of their respective financial statements up to the date of consolidation in compliance with Accounting Standard (AS) - 21, For Isgec Hitachi Zosen Limited, management has prepared accounts for the period 1st October, 2013 to 31st March, 2014 for purpose of consolidation.

c) The financial Statements of parent company, its subsidiaries and joint venture have been consolidated on line by line basis by adding together book value of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances and the unrealized profit/losses on intra group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

d) The accounting policies for holding company, its subsidiary companies and joint venture are substantially uniform. However, In case of contract sales in the subsidiary Isgec Covema Ltd., revenue is recognised on completed contract method on substantial completion of contracts, the impact of which on Consolidated Financial Statements is negligible as it forms a very small proportion of Group revenues.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

- e) Isgec Hitachi Zosen Limited (IHZL) is a joint venture as per the definition Accounting Standard (AS) 27 between the Company and Hitachi Zosen Corporation, Japan. However as the Company holds 51% equity in the equity share capital of IHZL, IHZL is classified and consolidated as a Subsidiary in view of Para 6 of Accounting Standard (AS) 27 Financial Reporting Interests in Joint Venture.

- Note 34** a) The case challenging the Levy Sugar Price Fixation for the season 1980-81 to 1999-2000 was decided in favour of the Company. The Company requested the Central Government to refix the levy sugar prices as directed by the Court. The Central Government has since amended the Essential Commodities Act nullifying the Court Judgement. The Company has challenged the amendment as malafide in the hon'ble Delhi High Court. Similar challenge has been made in the hon'ble Supreme Court by another sugar factory. The hearing of the case before the hon'ble Supreme court is yet to take place. The case filed by us has been transferred to hon'ble Supreme Court.
- b) The Group and other parties challenged the levy of Local Area Development Tax under The Haryana Local Area Development Tax Act, 2000 and the Haryana Entry of Goods Into The Local Areas Act, 2008 in the hon'ble High Court of Punjab & Haryana. The hon'ble High Court decided the matter in company's favour, hence no liability was accounted for. Subsequently the hon'ble Supreme Court passed an interim order, on the appeal of the State Government, and directed all the assesseees to file the returns under the Local Area Development Tax Act. The company has since filed the returns.

Note 35 : RELATED PARTY TRANSACTIONS

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

I Description and Name of Related Parties

Description of Relationship	Name
Holding Company	None
Entities over which Directors and their relatives can exercise significant influence	Yamuna Syndicate Limited Kamla Puri Charitable Trust Kamla Puri Charitable Foundation Blue Water Enterprises
Key Management Personnel	Mr. Aditya Puri (Managing Director) Mrs. Nina Puri (Wholetime Director)
Relatives of Key Management Personnel	Mr. Ranjit Puri (Chairman), (Husband of Mrs. Nina Puri Whole-time Director & Father of Mr. Aditya Puri, Managing Director) Mrs. Tanupriya Puri (wife of Mr. Aditya Puri, Managing Director)

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

II Related Party Transactions

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Purchase of goods		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	162.98	527.41
-Key management personnel		
Mr. Aditya Puri (Managing Director)	1.53	2.63
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	1.69	2.63
Total	166.20	532.67
b) Purchase of fixed Assets		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.05	14.59
Total	0.05	14.59
c) Rendering of services		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	14.20	26.27
Total	14.20	26.27
d) Services received		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	10.73	13.01
Total	10.73	13.01
e) Commission Paid		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	7.22	7.54
-Key management personnel	-	-
-Relatives of Key management personnel	-	-
Total	7.22	7.54
f) Rent received		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.19	0.39
Total	0.19	0.39

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
g) Rent Paid		
-Entities over which key management personnel can exercise significant influence		
Blue Water Enterprises	30.05	56.17
Total	30.05	56.17
h) Remuneration to Directors		
-Key management personnel		
Mr. Aditya Puri (Managing Director)	390.73	575.55
Mrs. Nina Puri (Wholetime Director)	390.73	575.55
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	0.54	0.95
Total	782.00	1,152.05
i) Interest paid		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	0.06	0.12
-Key management personnel		
Mr. Aditya Puri (Managing Director)	-	0.52
Mrs. Nina Puri (Wholetime Director)	-	-
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	-	-
Mr. Ranjit Puri (HUF)	0.03	0.03
Total	0.09	0.67
j) Amount payable as at year end		
-Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	65.03	41.11
-Key management personnel		
Mr. Aditya Puri (Managing Director)	367.27	523.07
Mrs. Nina Puri (Wholetime Director)	377.46	547.37
-Relatives of Key management personnel		
Mr. Ranjit Puri (Chairman)	0.11	0.23
Mr. Ranjit Puri (HUF)	0.66	0.66
Total	810.53	1,112.44
k) Amount receivable as at year end		
-Entities over which key management personnel can exercise significant influence		
Blue Water Enterprises	10.11	10.11
Total	10.11	10.11

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 36 : LEASE RENT CHARGES

The Company has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Accounting Standard (AS-19) on 'Leases' the lease rent charged to statement of Profit & Loss for the period are:

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Residential premises	90.51	159.64
b) Commercial premises	227.89	380.70
c) Plant and machinery	2.55	5.41
Total	320.95	545.75

Note 37 : VALUE OF IMPORTS ON C.I.F. BASIS

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Raw Materials	14,611.02	9,444.22
Components & Spare Parts	3,506.82	2,068.12
Goods for resale	2,026.95	758.87
Capital Goods	762.18	1,588.69
Total	20,906.97	13,859.90

Note 38 : EARNINGS IN FOREIGN EXCHANGE

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Export of Goods & Services on F.O.B basis	50,872.58	112,870.70

Note 39 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
Travelling Expenses	672.21	1,429.59
Royalty	393.79	279.61
Brokerage & Commission	3,201.21	4,933.68
Interest on ECB Loan (for foreign remittance)	194.37	492.20
Technical Know how	-	741.37
Others	8,181.33	13,852.29
Total	12,642.91	21,728.74

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 40 REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lacs)

Particulars	Six months period ended 31.03.2014	Year ended 30.09.2013
a) Salary	1.83	5.79
b) Contribution to Provident Fund	0.09	0.24
c) Others	-	-
Total	1.92	6.03

Note 41 FOREIGN CURRENCY EXPOSURES :

The Company had entered into swaps/forward contracts which are not intended for trading or speculative purposes but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(₹ in lacs)

Particulars	As at 31.03.2014	As at 30.09.2013
a) The particulars of forward contracts entered into hedging purpose outstanding as at period ended are as under:		
i) For receivables	19,380.00	25,034.91
ii) For loans	11,181.79	11,756.10
iii) For Supplier Payments	1,240.48	-
b) Unhedged foreign currency exposures as at period ended are as under:		
i) Receivables	2,748.66	2,778.96
ii) Payables to Suppliers	68.54	107.74

Notes to the Consolidated Financial Statements as at and for the year ended 31st March 2014

Note 42 : Information for Subsidiaries

The disclosure in accordance with Direction under Section 212(8) of the Companies Act, 1956 issued vide General Circular No. 2/2011 dated 8th February, 2011 (file No. 51/12/2007-CL-III) of Ministry of Corporate Affairs, Government of India.

Description	2013-14				2012-13					
	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Isgec Hitachi Zosen Ltd.
1 Name of The Subsidiary Companies	Year ended 31st March 2014	Year ended 31st March 2014	Period ended 31st March 2014*	Period ended 31st March 2014*	Period ended 31st March 2014**	Year ended 31st March 2013	Year ended 31st March 2013	Year ended 30th September 2013	Year ended 30th September 2013	Year ended 30th September 2013***
2 Financial year of the Subsidiary Companies	2014	2014	2014*	2014*	2014**	2013	2013	2013	2013	2013***
3 Capital	200.00	10.00	709.99	330.00	10,000.00	200.00	10.00	709.99	330.00	10,000.00
4 Reserves	78.29	89.12	17,270.89	0.39	(1,642.22)	77.26	86.11	17,290.30	0.67	(924.22)
5 Total Assets	285.26	99.35	40,767.23	330.45	26,080.44	287.32	96.62	28,585.61	330.86	15,495.19
6 Total Liabilities	6.96	0.22	22,786.35	0.06	17,722.66	10.06	0.51	10,585.32	0.19	6,419.41
7 Detail of Investments										
a. Deposit with Post Office	-	-	0.60	-	-	-	-	0.60	-	-
b. Investment in Other Companies	-	-	304.75	-	-	-	-	304.75	-	-
c. Investment in Mutual Funds	-	-	-	-	-	-	-	3,084.36	-	-
8 Turnover	4.59	4.86	22,708.37	0.06	3,777.31	11.75	4.85	45,054.92	0.71	7,417.64
9 Profit/(Loss) for the period before Tax	1.50	4.36	(278.78)	(0.35)	(953.99)	(0.09)	4.42	4,461.27	0.40	(1,912.54)
10 Provision for Taxation										
a. Current Tax	-	1.35	(221.35)	(0.08)	(14.57)	-	1.37	2,214.17	0.10	-
b. Deferred Tax	0.46	-	(38.02)	-	(221.42)	(1.95)	-	(78.78)	-	(650.08)
11 Profit/(Loss) for the period after Tax	1.04	3.01	(19.41)	(0.27)	(718.00)	1.84	3.05	2,325.88	0.30	(1,262.47)
12 Interim Dividend	-	-	-	-	-	-	-	745.49	-	-
13 Proposed Dividend	-	-	-	-	-	-	-	-	-	-

* The financial year has been changed from year ending 30th September to year ending 31st March. Figures reported are for six months period ended 31st March 2014.

** The financial year is from 1st April to 31st March. The figures drawn and reported are from 1st October 2013 to 31st March 2014".

*** The financial year is from 1st April to 31st March. The figures drawn and reported are from 1st October 2012 to 30th September 2013".

(₹ in lacs)

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note 43: As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-

Sr. No.	Particulars	Description			
		Ingots and Engineering Machinery		Sugar	
a)	Products covered for Cost Audit				
b)	Full Particulars of Cost Auditor	M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana		M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana	
c)	Filling of Cost Audit Report	Six months period ended 31.03.2014	Year ended 30.09.2013	Six months period ended 31.03.2014	Year ended 30.09.2013
i)	Due Date of Filling of Cost Audit Report	27/09/2014	29/03/2014	27/09/2014	29/03/2014
ii)	Actual Date of Filling Cost Audit Report	Not yet Due	25/03/2014	Not yet Due	25/03/2014

Note 44 : There is no other information required to be disclosed apart from the information already disclosed, pursuant to the requirements of Schedule VI to the Companies Act,1956

Note 45 : Previous year figures have been regrouped/ recast wherever considered necessary to conform to current period classification.

Note 46 : The Company and its subsidiaries, Saraswati Sugar Mills Limited and Isgec Engineering & Projects Limited have changed their Financial Year ending on 30th September to ending on 31st March. The current Financial Year figures are for six months period from 1st October, 2013 to 31st March, 2014. The figures are therefore not comparable with those of the previous year.

Note-47 Overview

Isgec Heavy Engineering Limited (the "Company") is engaged primarily in two businesses, Heavy Engineering and in Sugar through its subsidiary. The manufacturing plants of the Company and its subsidiaries are located in India.

The Company is a Public Limited Company and its shares are listed on Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE).

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

Note-48 Significant Accounting Policies

(i) Principles of consolidation

The consolidated financial statements relate to Isgec Heavy Engineering Limited, its subsidiary companies and joint venture. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company, its subsidiary companies and joint venture are combined on a line-by-line basis by adding together the book value of like items of assets, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest’s share of consolidated net profit for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Holding Company.
- e) Minority Interest’s share of consolidated net assets for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Holding Company’s shareholders.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

(ii) Basis of Consolidation

The Consolidated Financial Statements include accounts of Isgec Heavy Engineering Limited, its Subsidiary Companies and Joint Venture (The Group). Subsidiary undertakings are those companies in which Isgec Heavy Engineering Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(iii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

(iv) Tangible Assets

- a) Tangible assets are stated at their cost less accumulated depreciation & accumulated impairment, if any
- b) The cost of an asset comprises its purchase price and any directly attributable cost for bringing the asset to working condition for its intended use & is net of recoverable duties/tax credits.
- c) Capital spares directly attributable to the assets are capitalised with the related assets.

(v) Intangible Assets

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard - 26 'Intangible Assets'. Costs incurred on acquisition of specialised software & technical know how are capitalised.

Intangible assets are stated at cost of acquisition less accumulated amortisation & accumulated impairment losses, if any.

(vi) Depreciation and Amortization

Depreciation is provided on fixed assets at the rates and in the manner prescribed in the Companies Act as per the written down value method except in respect of certain Plant & Machinery which are depreciated as per the straight line method. Capital spares directly attributable to the specific fixed assets are depreciated with the cost of the assets.

Assets costing not more than ₹ 5,000/- are fully depreciated in the year of their acquisition.

Intangible assets are amortised over a period not exceeding ten years on a straight line basis as per Accounting Standard - 26 "Intangible Assets".

(vii) Impairment of Assets

- a) As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine
 - i) the provision for impairment loss, if any, required or
 - ii) the reversal, if any, required of impairment loss recognised in previous periods.
 - b) Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount which is determined
 - i) in the case of an individual asset, at the higher of the net selling price and the value in use.
 - ii) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.
 - c) Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life.
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Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(viii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

(ix) Inventories

Inventories are valued at lower of cost or net realizable value except in case of finished stock of molasses, which is valued at average net realisable value. Cost being calculated on weighted average basis and includes cost of purchase and incidental expenses. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost.

Work-in-Progress and Finished Goods are valued at lower of cost or net realisable value.

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

Cost in case of finished goods and work-in-progress includes material cost and applicable direct manufacturing and administrative overheads. Cost in case of finished stock of sugar and work-in-progress includes raw material cost and proportionate production overheads. Value of finished stock is inclusive of excise duty.

Erection Work-in-progress is calculated at cost or net realisable value whichever is lower.

Standing crops are valued at estimated cost of material & labour.

(x) Cash and Cash Equivalents

Cash & Cash Equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value within original maturity of three months or less from date of purchase to be cash equivalent.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits with banks, excluding investment in mutual funds.

(xi) Revenue Recognition

Revenue is recognised in case of traded & manufactured products on despatch of goods from the factory / other locations when substantial risks & rewards of ownership are transferred to the buyer. Revenue in case of erection & commissioning jobs carried out is recognised on stage of completion as per the terms of related agreements / job orders.

Sales are net of inter-unit transfers except where such elimination is not practicable.

Insurance Claims, export incentives, escalation, etc. are accounted for as and when the estimated amounts recoverable can be reasonably determined as being acceptable to the concerned authorities / parties.

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

Dividend from investments in shares is recognised when the right to receive payment is established.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

(xii) Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

Foreign currency monetary items are reported using the closing rate. 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 the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(xiii) Employee Benefits

As per Accounting Standard (AS) -15 "Employee Benefits" the provision for employee benefits is charged on accrual basis as under:

a) Provident Fund:

The Group operates a Provident Fund Trust for its employees where contributions are deposited on the basis of services rendered by the employees and are expensed as and when incurred.

b) Gratuity:

The Company operates Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance policy with the Life Insurance Corporation of India for all the employees. Provision for liability on account of gratuity being defined benefit plan, is determined as per actuarial valuation and charged to statement of Profit & Loss.

c) Leave Encashment:

Provision for leave encashment is made in respect of eligible employees as per actuarial valuation done at the balance sheet date.

d) Pension:

Liability on account of pension payable to employees covered under Company's pension scheme has been accounted for on accrual basis.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

e) Superannuation

The Company operates Superannuation fund scheme with Life Insurance Corporation of India where contributions are deposited on the basis of services rendered by employees who have opted for the scheme. These contributions are expensed on accrual basis.

(xiv) 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 are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

(xv) Leases

Payments made under Leases for land, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease. Payments made under cancellable operating leases for other assets are charged to statement of profit & loss as per respective lease agreements.

Rental income is recognized on accrual basis over the lease term.

(xvi) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Taxation

Tax Expense/(Tax Saving) is the aggregate of current year tax and deferred tax charged (or credited) to the statement of Profit and Loss for the year in accordance with Accounting Standard- 22- "Accounting for Taxes on Income" and measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

a) Current Year Charge

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case.

Notes to the Consolidated Financial Statements as at and for the period ended 31st March, 2014

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate, depending on the merits of each case.

b) Deferred Tax

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate to the extent the timing difference are expected to be crystallised. Deferred tax assets on account of unabsorbed losses & unabsorbed depreciation are recognised to the extent there is virtual certainty of realising such assets against future taxable income.

(xviii) Provisions, Contingent Liabilities & Contingent Assets

a) Provisions

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i) the Company has a present obligation as a result of a past event,
- ii) a probable outflow of resources is expected to settle the obligation and
- iii) the amount of the obligation can be reliably estimated.

b) Contingent Liabilities

Contingent Liability is disclosed in the case of

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii) a possible obligation, unless the probability of outflow of resources is remote.

c) Contingent Assets : Contingent Assets are neither recognised, nor disclosed.

d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**As per our report of even date.
for S.S. Kothari Mehta & Co.**

Chartered Accountants
(Firm Registration No. 000756N)

Sanjay Kumar
Deputy General Manager(Accounts)

Kishore Chatnani
Head - Corporate Accounts & Treasury

For and on behalf of Board of Directors

CA. K.K. Tulshan
Partner
M.No. 085033

S. K. Khorana
Executive Director & Company Secretary

Aditya Puri
Managing Director

Place : Noida
Dated : 26th May, 2014

Vinod K. Nagpal
Director
