ISGEC HEAVY ENGINEERING LTD.

A-4, Sector-24,
Noida - 201 301 (U.P.) India
(GST No.: 09AAACT5540K2Z4)
Tel.: +91-120-4085000 / 01 / 02
Fax: +91-120-4085100
www.isgec.com

Uploaded on BSE Limited
Website: http://listing.bseindia.com

Ho-425-S

July 15, 2019

Manager – Department of Corporate Services,
Bombay Stock Exchange Ltd.,
Registered Office: Floor 25,
P J Towers, Dalal Street,
Mumbai- 400 001

Dear Sir/Madam,

(Scrip Code : 533033, Scrip Id: ISGEC)

Subject: Furnishing Notice of 86th Annual General Meeting and Annual Report under Regulation 34 and Regulation 30 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. We wish to inform you that the 86th Annual General Meeting of the Shareholders has been fixed on Saturday, August 10, 2019 at 11:30 a.m. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana.

2. Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Annual Report being sent to the shareholders along with Notice of the Annual General Meeting is enclosed.

3. Further, the 86th Annual General Meeting Notice, Proxy Form, Attendance Slip, Annual Report and instruction for e-voting of Company are also available on the Company's website: www.isgec.com.

Request to kindly take this intimation on record.

Yours faithfully,
For Isgec Heavy Engineering Limited

(S. K. Khorana)
Executive Director and Company Secretary

Encl: As above

NOTICE

Notice is hereby given that the 86th Annual General Meeting of the Shareholders of Isgec Heavy Engineering Limited will be held on Saturday, August 10, 2019, at 11:30 a.m. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana, to transact the following business:

As Ordinary Business:

1. To receive, consider and adopt:

   (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.

2. To confirm payment of Interim Dividend @ Rs. 5/- per Equity Share of Rs. 10/- each and to declare Final Dividend @ Rs. 1.50/- Per Equity share of Re. 1/- each for the financial year ended March 31, 2019.

3. To appoint a Director in place of Mrs. Nina Puri (DIN: 01316769), who retires by rotation and being eligible, offers herself for re-appointment.

As Special Business:

4. **Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2019 and March 31, 2020:**

   To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, or any statutory modification or re-enactment thereof, the remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) each for two financial year i.e. March 31, 2019 and March 31, 2020 of M/s. K. C. Kohli & Co., Cost Accountants (Firm Registration No. 100541), B-92, Subhadra Colony, Sarai Rohilla, Delhi-110035, appointed as the Cost Auditors by the Board of Directors to fill the casual vacancy caused by death of Mr. Jugal K. Puri, partner of M/s. Jugal K. Puri and Associates, for conducting the cost audit of cost records maintained by the Company, for the financial year March 31, 2019 and March 31, 2020, be and are hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors
For, Isgec Heavy Engineering Limited

Registered Office:
Radaur Road, Yamunanagar-135001, Haryana.
Dated: July 15, 2019

(S. K. KHORANA)
Executive Director
& Company Secretary

Notes:

1. **Proxy:**

   A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed herewith.

2. As per Section 105 of the Companies Act, 2013 and Companies (Management and Administration) Rule, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Further, a member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate shareholders and other incorporated bodies shareholders inter-alia Trust, HUF, etc. intending to send their authorized representative to attend the meeting are requested to bring along with them, a certified true copy of resolution of the board of directors or its committee thereof/power of attorney, authorizing such person to attend and vote on its behalf at the meeting.

4. The members/proxies/authorized representatives are advised to bring original photo identity proof for verification, if required.

5. Notice of AGM, Annual Report and other documents are being sent electronically to all members, whose e-mail IDs are registered with the Company/Depository Participants for communication purpose, unless any member has requested for a hardcopy of the same. For members who have not registered their email address, hard copy of the Notice, Annual Report and other documents is being sent in the permitted mode.

6. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. Even after registering for e-communication, members are entitled to receive such communication in hard copy, upon making a request for the same. The shareholders may request for any communication to the Company's email id: roynr@isgec.com.

7. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) and Bank details by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN and Bank details to their DP(s) with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN and Bank details to the Company/M/s. Alankit Assignments Limited.

8. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Share Transfer Agent, M/s. Alankit Assignments Ltd., for assistance in this regard.

9. The Notice, Annual Report and other documents circulated to members are also available on the Company's website www.isgec.com.

10. **Book Closure:**

The Register of Members and Share Transfer Books of the Company shall remain closed from August 02, 2019 to August 10, 2019 (both days inclusive).

11. **Payment of Dividend:**

The Dividend on Equity Shares for the financial year ended March 31, 2019, will be paid after declaration by the members:-

(i) In respect of shares held in physical form, to those members, whose names appear on the Register of Members of the Company on August 10, 2019, after giving effect to all valid transmission and transposition request lodged with the Company on or before August 01, 2019.

(ii) In respect of shares held in electronic form, to those beneficial owners, whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as at the end of business hours on August 01, 2019.

12. Members holding shares in physical form are requested to notify and/or send the following to Company's Share Transfer Agent, M/s. Alankit Assignments Ltd., Alankit House, 4E/2, Jhandewalan Extn., New Delhi-110055 (Phone Number- 011-42541234, 23541234), e-mail address: rta@alankit.com to facilitate better services :-

i) any change in their address; and

ii) share certificate(s) held in multiple accounts in identical names or joint names in the same order of names, for consolidation of such shareholdings into one account.

13. **Transfer of Unclaimed Dividend amount/Shares to the Investor Education and Protection Fund (IEPF):**

Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agent or the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, as per Section 124 of the Companies Act, 2013 will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Companies Act, 2013, and applicable rules.

Details of the unclaimed dividend and particulars with respect to corresponding shares due for transfer to the IEPF are available on the Company's website www.isgec.com under the section "Unclaimed Dividends."

14. **Nomination:**

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13.

15. A Statement pursuant to Section 102(1) of the Companies Act, 2013 and as per Secretarial Standard - 2 (SS-2) on "General Meetings", issued by Institute of Company Secretaries of India, relating to the Special Business to be transacted at the Meeting is annexed hereto.

ISGEC HEAVY ENGINEERING LIMITED
Registered Office: Radaur Road, Yamunanagar – 135001, Haryana.
CIN: L23423HR1933PLC000097
Ph.: 01732 – 661061
Email Id: roynr@isgec.com, Website: www.isgec.com

16. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard - 2 (SS-2) on "General Meetings", the particulars of Director retiring by rotation and seeking re-appointment at the Annual General Meeting, are given hereunder:-

Name of the Director	Dr. (Mrs.) Nina Puri
Date of Birth (dd/mm/yyyy)	23/05/1943
Age (in years)	76
Date of Appointment	16/02/2007
Qualification	B.A. (Hons.) (History)-Delhi University, M.A. (History)-Georgetown University, Washington D.C., Ph.D-Modern India History- Kurukshetra University
Relationships between Directors, Manager and other Key Managerial Personnel	Wife of Mr. Ranjit Puri, Chairman Mother of Mr. Aditya Puri, Managing Director
Board position held	Whole Time Director
Terms and conditions of re-appointment	Liable to retire by rotation
Nature of her expertise in specific function areas along with experience (in years)	Dr. (Mrs.) Nina Puri, apart from being a Company Director, has been deeply involved in the sphere of honorary social work for five decades, mainly focused on the areas of population stabilization, the girl child and women & child development. She was elected President of Family Planning Association of India (FPAI) for a maximum tenure of 6 years (1998-2003). She was on the Governing Council of International Planned Parenthood Federation (IPPF) from 1993, the largest voluntary organization in the world in the sphere of Reproductive Health & Women's rights (working in 152 countries) and in the year 2003 was elected the President/ Chairperson of IPPF from 2003-2005. From the 1980s till 2005 remained on the Governing Body of the South Asia Region of IPPF being elected as Chairperson on its various committees, and again for a maximum term remained as its Chairperson on the Regional Council and its Regional Executive Council (9 countries). Till 2018 was on the Governing Body of Population Foundation of India (PFI), established by Mr. JRD Tata and Mr. Bharat Ram. She is also presently a member of the Steering Committee of Centre for Research in Rural and Industrial Development Society (CRRID) whose past President is Dr. Manmohan Singh, former Prime Minister of India and immediate past President, Mr. Keshub Mahindra. She is presently the Joint Secretary of the Governing Body of Bhai Vir Singh Sahitya Sadan (BVSSS) whose present President is Dr. Manmohan Singh, former Prime Minister of India.

	Dr. Puri has been actively involved with the corporate sector (CII, FICCI, ISMA and PHDCCI) and was nominated on various panels and addressed seminars & conferences. She was member of the National Commission on Population, Government of India, which drafted the National Policy on Population-2000. She was a member of the Advisory Board of India International Aids Vaccine Initiative (IAVI). Dr. Puri is a Ph.D. in Modern India History and has presented and written several articles on Punjab. Her book "Political Elite and Society in the Punjab-1900-1920" was published in 1985. On the occasion of the 150th Birth Anniversary of Mr. Harkishen Lal Gauba, one of the founders of Punjab National Bank and the founder of People's Bank & Punjab's first Agriculture & Industry Minister (1920-21), her article titled "He put Punjab on India's Financial Map" was published in The Tribune on May 29, 2014. Presently have been asked by the National Book Trust to bring out a biography on Lala Harkishen Lal. Have been frequently invited by the National & International Press, Television & Radio on gender issues, women's empowerment, reproductive health & rights. Actively participated at U.N. Conferences e.g. I.C.P.D-Cairo, International Social Summit-Copenhagen & International Conferences on Women-Beijing, W.H.O.-Bhutan, E.U. Parliamentary Conference - Strasburg, France & their preparatory meetings at the U.N. Headquarters in New York. She has been Whole Time Director of Isgec Heavy Engineering Limited since 2007 and the Company has grown substantially.
Number of Meetings of the Board attended during the year	Two
Other Directorship	M/s. Jullundur Auto Sales Corporation Limited
Chairperson/ Member of Committee of the Board of Companies in which she is a Director	Nil
Shareholding of Director as on March 31, 2019	(1,59,530 Shares) 0.22%

17. **E-voting:**

Information and other instructions relating to e-voting are as under:

i) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, and Secretarial Standard on General Meeting (SS-2), the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

ii) The remote e-voting period commences on **August 07, 2019 at 9:00 a.m.** and ends on **August 09, 2019 at 5:00 p.m.** During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 3, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5:00 p.m. on August 09, 2019. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

iii) The process and manner for remote e-voting are as under: NSDL e-Voting system consists of "Two Steps" which are mentioned below:

A. Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

(a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

(b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(d) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12************** then your user ID is 12**************.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

(e) Your password details are given below:

(i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(iii) How to retrieve your 'initial password'?

(iiia) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(iiib) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

(f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

(i) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(ii) **"Physical User: Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

(g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(h) Now, you will have to click on "Login" button.

(i) After you click on the "Login" button, Home page of e-Voting will open.

B. Step 2: cast your vote electronically on NSDL e-Voting system:

(a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

(b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

(c) Select "EVEN" of company for which you wish to cast your vote.

(d) Now you are ready for e-Voting as the Voting page opens.

(e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

(f) Upon confirmation, the message "Vote cast successfully" will be displayed.

(g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(h) Once you confirm your vote on the resolutions, you will not be allowed to modify your vote.

iv) **General Guidelines for shareholders:**

(a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rkbhallacs@yahoo.com with a copy marked to evoting@nsdl.co.in.

(b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

v) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy] :

(a) Initial password is provided at the bottom of the Attendance Slip for the AGM.

(b) Please follow all steps from Sl. No. A.(a) to B.(h) above, to cast vote.

vi) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

vii) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 03, 2019.

viii) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date, i.e. August 3, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

ix) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

x) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

xi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled for voting at the AGM through ballot paper, in case he/she does not avail the facility of remote e-voting.

xii) Mr. Rajinder Kumar Bhalla, Practicing Company Secretary (Membership No. A10525) and in his absence, Mr. Himanshu Bajaj, Practicing Chartered Accountant (Membership no. F091050) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

xiii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

xiv) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xv) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company viz; www.isgec.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors
For, Isgec Heavy Engineering Limited

Registered Office:
Radaur Road, Yamunanagar-135001, Haryana.
Dated: July 15, 2019

(S. K. KHORANA)
Executive Director
& Company Secretary

ANNEXURE TO THE NOTICE DATED JULY 15, 2019

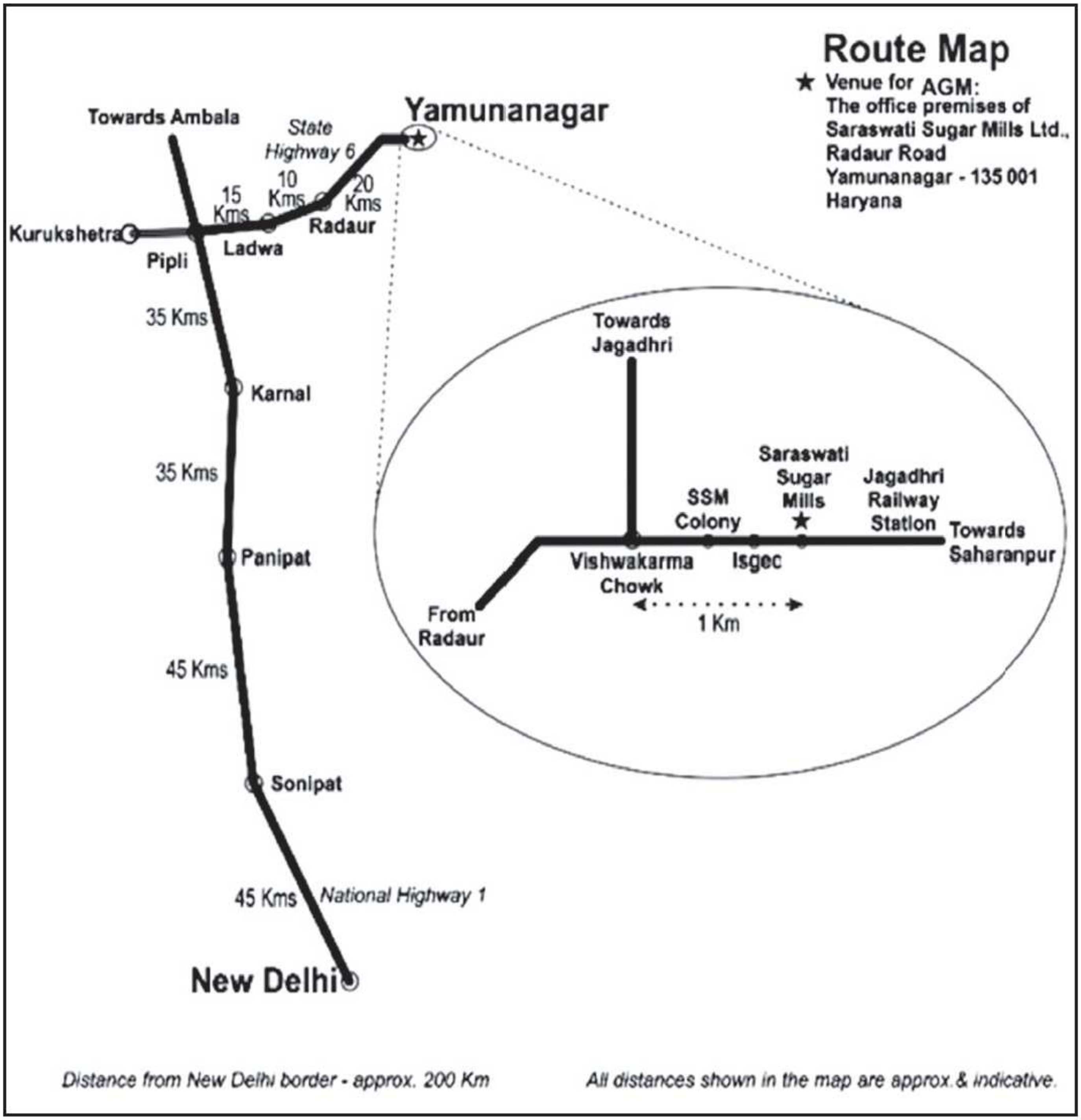
STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND AS PER SECRETARIAL STANDARD – 2 (SS – 2) ON "GENERAL MEETINGS":

Item No. 4:

The Board has approved the appointment and remuneration of M/s. K. C. Kohli, Cost Accountants, B-92, Subhadra Colony, Sarai Rohilla, Delhi-110035 as Cost Auditor, to conduct the cost audit of cost accounts maintained by the Company, for the financial year March 31, 2019 and March 31, 2020.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor has to be ratified by the Shareholders of the Company.

None of the Directors/Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.


Route Map
★ Venue for AGM:
The office premises of
Saraswati Sugar Mills Ltd.,
Radaur Road
Yamunanagar - 135 001
Haryana
Yamunanagar
Towards Ambala
State Highway 6
15 Kms
10 Kms
20 Kms
Kurukshetra
Pipli
Ladwa
Radaur
35 Kms
Karnal
35 Kms
Panipat
45 Kms
Sonipat
45 Kms
National Highway 1
New Delhi
Towards Jagadhri
Saraswati Sugar Mills
SSM Colony
Jagadhri Railway Station
Towards Saharanpur
Vishwakarma Chowk
Isgec
1 Km
From Radaur
Distance from New Delhi border - approx. 200 Km
All distances shown in the map are approx.& indicative.

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L23423HR1933PLC000097

Name of the Company: ISGEC HEAVY ENGINEERING LIMITED

Registered Office: Radaur Road, Yamunanagar – 135001, Haryana.

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of .... shares of the above named company, hereby appoint:

1. Name: ....

   Address: ....

   E-mail Id: ....

   Signature:.. or failing him

2. Name: ....

   Address: ....

   E-mail Id: ....

   Signature:.. or failing him

3. Name: ....

   Address: ....

   E-mail Id: ....

   Signature:..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 86th Annual General Meeting of the company, to be held on Saturday, August 10, 2019 at 11.30 a.m. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

Item No.	Description of Resolution	Type of resolution
(1)(a)	To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2019, together with reports of the Board of Directors and Auditors thereon.	Ordinary Resolution
(1)(b)	To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the report of the Auditors thereon.	Ordinary Resolution
2.	To confirm payment of Interim Dividend @ Rs. 5/- per Equity Share of Rs. 10/- each and to declare Final Dividend @ Rs. 1.50/- per Equity Share of Re. 1/- each for the financial year ended March 31, 2019.	Ordinary Resolution
3.	To appoint a Director in place of Mrs. Nina Puri (DIN: 01316769), who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary Resolution

Special Business

Item No.	Description of Resolution	Type of resolution
4.	Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2019 and March 31, 2020	Ordinary Resolution

Signed this…… day of……… 2019

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ISGEC HEAVY ENGINEERING LIMITED

Registered Office: Radaur Road, Yamunanagar – 135001, Haryana.
CIN: L23423HR1933PLC000097
Ph.: 01732 – 661061
Email Id: roynr@isgec.com, Website: www.isgec.com

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall

Name of the Shareholder (In Block Letter) Address of the Shareholder DP Id*/Client Id*/Folio No. No. of Shares	

I hereby record my presence at the 86th Annual General Meeting of the Company held on Saturday, August 10, 2019 at 11:30 a.m. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana.

* Applicable for shareholders holding shares in electronic form.

Name of Shareholder / proxy

Signature of Shareholder / proxy

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN

ISGEC

ANNUAL REPORT

Reports & Accounts
for the year ended
31st March 2019

ISGEC HEAVY ENGINEERING LTD.

www.isgec.com

Subsidiaries & Joint Ventures

ISGEC Hitachi Zosen Limited

JV with
Hitachi Zosen Corp., Japan

ISGEC TITAN Metal Fabricators

JV with
Titan Metal Fabricators, USA

ISGEC amec foster wheeler
Isgec Foster Wheeler Boilers Pvt. Ltd.

JV with
Amec Foster Wheeler, USA

ISGEC REDECAM
Isgec Redecam Enviro Solutions

JV with
Redecam Group, Italy

EAGLE PRESS & Equipment Co. Ltd.

Wholly Owned Subsidiary in Canada

EAGLE PRESS AMERICA INC.

Stepdown Subsidiary in USA

SSM

Saraswati Sugar Mills Ltd.
Wholly Owned Subsidiary in India

Strategic Technology Partnerships

Amec Foster Wheeler, USA
AP&T, Sweden
Babcock Power Environmental Inc, USA
Bosch Projects, South Africa
CB&I Technology Inc., USA
Envirotherm GmbH, Germany
Fuel Tech Inc., USA
Riley Power Inc., USA
Siemens Heat Transfer Technology b.v. Netherlands
Sumitomo SHI FW Energia Oy, Finland
Taim Weser, Spain
Thermal Engineering International (TEi), USA

THE BEST OF TECHNOLOGIES
SOURCED FROM AROUND THE WORLD

ANNUAL REPORT 2018-19

BOARD OF DIRECTORS

Directors	Mr. Vinod K. Nagpal Mr. Tahir Hasan Mr. Vinod Kumar Sachdeva Mr. Arun Kathpalia Mr. Sidharth Prasad Mr. Vishal Kirti Keshav Marwaha Mrs. Shivani Hazari
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
Chief Financial Officer	Mr. Kishore Chatnani
Bankers	State Bank of India Standard Chartered Bank Corporation Bank Punjab National Bank The Hongkong & Shanghai Banking Corporation Ltd. ICICI Bank Ltd. Citibank N. A. Kotak Mahindra Bank Ltd. HDFC Bank Ltd. Yes Bank Ltd. IndusInd Bank Ltd. Export Import Bank of India IDFC First Bank Limited Axis Bank Limited DBS Bank Limited
Registered Office	Radaur Road, Yamunanagar-135001 Haryana, India

Contents

Board's Report

1.00 The Board hereby presents its Report for the year ended 31st March 2019.

2.00 **FINANCIAL SUMMARY:**

(₹ in lakhs)

Particulars		**As at 31.03.2019**	As at 31.03.2018
I.	**ASSETS:**		
	Fixed Assets	**51,870.69**	48,475.44
	Other Non-current Assets	**24,836.40**	20,198.50
	Current Assets	**3,49,447.74**	2,64,204.97
	Total	**4,26,154.83**	3,32,878.91
II.	**EQUITY AND LIABILITIES:**		
	Shareholders' Funds	**1,34,717.25**	1,22,284.30
	Non-Current Liabilities	**31,646.23**	30,271.06
	Current Liabilities	**2,59,791.35**	1,80,323.55
	Total	**4,26,154.83**	3,32,878.91

Particulars		**For the year ended 31.03.2019**	For the year ended 31.03.2018
III.	Revenue from Operations	**4,12,892.10**	2,61,536.55
	Other Income	**3,689.38**	7,234.12
	Total Revenue	**4,16,581.48**	2,68,770.67
IV.	**Total Expenses**	**3,96,273.90**	2,51,977.31
V.	Profit/(Loss) Before Tax	**20,307.58**	16,793.36
VI.	Tax Expenses including deferred tax	**7,475.84**	4,895.36
VII.	Profit/(Loss) After Tax	**12,831.74**	11,898.00
VIII.	Other Comprehensive Income/(Expense)	**18.22**	115.44
IX.	Balance carried to Profit and Loss Account	**12,849.96**	12,013.44
X.	Basic/Diluted Earning per Share of ₹ 1/- each.	**17.45**	16.18

3.00 **DIVIDEND:**

3.01 In the month of February 2019, the Company declared an Interim Dividend of ₹ 5/- per equity share of ₹ 10/- each, which has been disbursed. Your Directors are pleased to recommend a final dividend of ₹ 1.50 per equity share of ₹ 1/- each. Total Dividend (inclusive of the interim and final dividend) will be ₹ 2/- on equity share of ₹ 1/- each for the current year. The final dividend, if approved and declared in the forthcoming Annual General Meeting, will result in a total outflow of ₹ 1230.48 lakh, including dividend distribution tax.

4.00 **STATE OF COMPANY AFFAIRS AND OPERATIONS, INCLUDING MANAGEMENT DISCUSSION & ANALYSIS:**

4.01 The Board had reported in last year's Board Report that the Company was able to book large value orders in the last quarter of the year and the order book was at a record level. This has resulted in growth, both in turnover as well as profit, in the year under report.

4.02 The turnover and profit before tax is ₹ 4166 crore and ₹ 203 crore as compared with ₹ 2688 crore and ₹ 168 crore in the preceding year. The profit would have higher but for an unexpected surge in the price of steel by over 25%. The steel prices have, however, now stabilized.

4.03 The Company acquired Eagle Press & Equipment Co. Ltd., a press manufacturing company in Canada. The acquisition was done by purchasing 100% ownership and is a wholly owned subsidiary of the Company.

4.04 This acquisition was done with a view to expand the market for Presses in North America by having a manufacturing base in Windsor (Canada) and a service centre in Kentucky (USA). The erstwhile owners will continue to work for the Canadian company for two years.

4.05 We intend to use Eagle's facility for stocking and marketing Isgec made Standard Mechanical Presses (SMP) and also marketing Isgec made Hydraulic Presses, in North America.

4.06 The order booking, during the year under report, was higher by 65% as compared with the preceding year and the Company witnessed an increased market share in both segments i.e. EPC Projects and Products Segments.

4.07 EPC Projects segment consists of projects and turnkey solutions for Boilers, Air Pollution Control Equipment, Sugar Plants & Machinery, Distilleries, Power Plants, Construction of Factories for Railways and Material Handling Systems. Products segment consists of manufacture of Presses, Process Equipments, Liquefied Gas Containers, Tubing & Piping, Iron & Steel Castings, and Industrial Machinery.

4.08 As reported in last year's report, the Company diversified its Product Segment by entering into the business of Construction of Factories for Railways, Material Handling Systems and Air Pollution Control projects. The diversification was successful and the Company could book large value orders for these projects.

4.09 The order book, as on the date of the report, is about ₹ 8000 crore, which is an all time record. Further, in the current year, higher investment is expected in infrastructure, which will boost demand in the Cement, Steel, Fertilizer and Power sectors. The Company is, therefore, expected to have a higher turnover and profit in the current year.

4.10 The threat of competition continues, which the Company has been, and will be able to withstand, by focusing on cost control. The cost control measures include increased automation, value engineering, and expanding the vendor base.

Export:

4.11 The export turnover during the year was ₹ 1124 crore as against ₹ 782 crore in the preceeding year.

4.12 Focus on export continued during the year. The efforts included participation in various industrial exhibitions and conferences in India and overseas. A large number of high value enquiries have been received. The Company is poised for an even higher export turnover in the coming year.

ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) SEGMENT:

4.13 This Segment consists of projects and turnkey solutions for Boilers, Air Pollution Control Equipment, Sugar Plants & Machinery, Distilleries, Power Plants, Construction of Factories for Railways and Material Handling Systems.

4.14 In accordance with the recommendation of Accenture, the Company has reorganized the Project Execution activities as under:-

(i) Establishment of centralized Engineering Service Centre. This has enabled efficient utilization of skills and engineering resources.

(ii) Creation of Project Monitoring Mechanism managed by Project Procurement Managers and Project Engineering Managers.This was done to increase coordination between the Engineering, Procurement, Construction and Project execution teams to shorten the delivery of projects and to bring in other operational efficiencies.

BOILERS:

4.15 The Boiler Division continued to be a dominant player in the domestic market in its area of operation.

4.16 In a significant development, the Boiler Division has started executing of Straw Fired Boiler projects. These Boilers will control air pollution, a major initiative taken by the Government of India. It has already booked orders for two Rice Straw Fired Boilers. The technology and engineering support is by a European company. Zero Liquid Discharge policy for Distilleries continues to ensure increased demand for Slop (highly polluting distillery effluent) Fired Boilers and we have booked several orders for such Boilers.

AIR POLLUTION CONTROL EQUIPMENTS:

4.17 The Company had concluded technology tie-ups to cover almost the entire range of Air Pollution Control Equipment required for coal based power plants, as also some equipment for other industries such as Steel and Cement.

4.18 The Company secured two large value contracts from National Thermal Power Corporation (NTPC) for supply of Wet Flue Gas Desulphurization for removal of SOx. These orders will be executed on the basis of technology provided by Babcock Power, USA.

4.19 The Company could also win the first order for NOx control from an aluminum plant with the support of BHI FW, USA.

4.20 The Company continues to do well in the supply of Electrostatic Precipitators (ESP), with technology from Envirotherm GmbH, Germany.

SUGAR PLANTS & MACHINERY AND DISTILLERIES:

4.21 The Company continues to be the global leader for supply of Sugar Plants & Machinery by providing state-of-the-art equipment and systems.

4.22 The Company successfully commissioned two sugar plants of 5000 TCD each, in a record period of 12 months.

4.23 In view of the bio-ethanol policy declared by the Government of India for the Ethanol Sector, we are expecting good business for Distillery Plants. A few orders from renowned industrial groups are already under execution.

4.24 The Company was executing contracts to design, engineer, procure, construct, commission and deliver a Bio-refinery project in the Philippines. Due to manifestations of latent conditions leading to cost overrun and delay in completion of the project, the Company notified the customer that these risks were to their account.

The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. The customer, however, on 30th January 2018, invoked Bank Guarantees amounting to approximately ₹ 134 crore and wrongly terminated the contract, and also claimed damages.

4.25 The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per the terms of the contract with the customer. Actions required in connection with the arbitration, such as filing of claims and other documents, are being taken on a timely basis.

4.26 The hearing of the case is scheduled for September 2019.

4.27 The legal advice is that the Company has a good prospect of success in proving its claims against the customer and accordingly no provision has been made in the books of accounts.

CONSTRUCTION OF POWER PLANTS, FACTORIES, MATERIAL HANDLING SYSTEMS:

4.28 The Company successfully executed various projects for Captive Power Plants and received various orders including repeat orders in India and abroad.

4.29 We successfully completed construction of a Diesel Electric Multiple Unit (DEMU) workshop for the Indian Railways at Varanasi. Orders have further been secured for construction of Rail Coach Factories at Sonipat & Latur, and an Axle manufacturing facility at Yelahanka in Karnataka.

4.30 The Company has secured large value orders for projects for supply and erection of Material Handling Equipment. One such project involves the erection of 17 km of Pipe Conveyor System for transportation of coal between 3 coal mines and 2 power plants located in Maharashtra. The other project is for Bulk Material Handling and providing port cranes at Paradip Port.

4.31 An order has been booked for a Waste Water Treatment Plant for a 660 MW power plant at Obra, Uttar Pradesh for Zero Liquid Discharge.

MANUFACTURING OF MACHINERY & EQUIPMENT SEGMENT:

4.32 This Segment consists of manufacture of Presses, Process Equipments, Liquified Gas Containers, Tubing & Piping, Iron & Steel Castings, and Industrial Machinery.

4.33 In order to reduce cost of manufacturing operations, various measures were taken. Teams were constituted to do critical analysis and reduce non-value added activities. Examples of improvements in operations include implementation of CAM software on CNC Machines, HP Heater Dish End to Nozzle welding by automatic welding, and installation of Concerto software for efficient project schedule control. Gas pipelines have been laid down in all the manufacturing shops at Yamunanagar to reduce the cost of gases.

4.34 All these measures have resulted in improvement in productivity and this has contributed towards an increased output.

PRESSES AND CONTRACT MANUFACTURING:

4.35 It has been a good year for this business and profit improved significantly.

4.36 As reported in last year’s Board Report, the year began with a record order book. The order booking during the year under report was also good. In order to meet the delivery commitments, capacity was increased in a short period of time.

4.37 Export order booking was also good. Orders were booked from USA, Europe and South East Asia by adding new customers.

4.38 Due to higher quality requirements of sheet metal components by Vehicle Manufacturers, some good orders are expected from their ancillaries.

4.39 The technical collaboration with AP&T, Sweden for Hot Forming Hydraulic Presses will help in securing orders to meet new safety norms (crash testing) issued by the Automotive Research Association of India (ARAI).

4.40 The Company hopes to increase its market share in specialized Hydraulic Presses such as Die Spotting, high capacity Cold Forging Presses, Powder Compacting Presses, and specialized Defense Presses.

4.41 Standard Mechanical Presses (Gap Frame and Straight Sided Presses) produced at our Works at Bawal have very successfully penetrated the Auto Component Ancillaries and the White Goods sector. There is potential to export these Presses to North America and South East Asia. Apart from using the Canadian Subsidiary for stocking of these Presses, the Company has plans to stock these in Thailand and Indonesia for ready delivery.

4.42 A Gap Frame Press with Servo Controls was exhibited at the world's leading Machine Tool Trade Show at Hannover, Germany.

4.43 The 'Engineering Excellence Centre' set up by the Company was certified as an R&D Centre by the Department of Scientific & Industrial Research (DSIR), Government of India. A Servo Press with Synchronized Twin Motors developed by the R&D Centre was a path breaking achievement. This Press is currently under shipment to Europe.

4.44 The highlight of the year, as far as Contract Manufacturing is concerned, was the manufacture of high precision mechanical portion of a Proton Therapy Equipment to be installed at the Tata Memorial Hospital, Mumbai, for treatment of Cancer. Similar business is expected from other leading Medical Equipment manufacturers in the years to come.

4.45 We established an efficient production line for the production of High Precision Engine Blocks for Diesel Locomotives and supplied 26 such units during the year. As the Indian Railways have planned to discontinue Diesel Locomotives, we will explore the global market for this product.

PROCESS EQUIPMENT:

4.46 The order booking of this Division was good during the year under report.

4.47 Demand in the domestic refining, petrochemical, and fertilizer sectors continues to see positive movement due to grass-root and expansion projects, revival of old fertilizer plants, and energy saving investments.

4.48 Following are the highlights of the year:-

- Booked the largest single export order from USA for Heat Exchangers.
- Booked the first order for Screw Plug Exchangers with technology from our licensor, TEi, USA.
- Booked an order for a Heat Exchanger weighing 380 MT – the heaviest Heat Exchanger booked by the Company.

- Booked a breakthrough order for an Incinerator and a Waste Heat Boiler for a Sulphuric Acid Plant, to be supplied in modular construction.
- Booked the largest order for site fabricated columns for a Refinery.

In addition, orders were also booked for critical equipments for Fertilizer plants.

4.49 At the Works in Yamunanagar, a 720 mm thick tube sheet, as well as a titanium clad tube sheet, were drilled for the first time. Regasified Liquified Natural Gas (RLNG) was used for cutting of plates to reduce the cost of gases.

4.50 The Works in Yamunanagar was qualified for making Reactor Island Equipment for Nuclear Power Corporation of India Limited.

LIQUIFIED GAS CONTAINERS:

4.51 The Company continued to be the global leader for supply of Chlorine Ton Containers.

4.52 In order to cater to the increased demand, capacity was expanded by 30% during the year under report. On the export front, due to a boom in the Chlor Alkali industry in South East Asia, the Company booked large orders for containers certified by US Department of Transportation.

4.53 The first order for Stainless Steel Containers for the domestic market was successfully executed.

4.54 Container models were developed for the Russian and CIS markets.

TUBING AND PIPING:

4.55 Tubing and Pipe Spools fabrication shop achieved highest ever production level in the year under report.

4.56 Some of the prestigious orders executed during the year were Super Heater Coils for a 660 MW project being executed by an EPC company, Tube Bundles for Refineries, and Pipe Spools for the Oil & Gas sector.

IRON CASTINGS:

4.57 The Company started with a heavy order book in the current year.

4.58 The Iron Foundry caters largely to the Soda Ash, Tool and Die and Paper industries. These industries exhibited growth during the year under report and demand for them enabled the Division to achieve record billing.

4.59 Major success was achieved on the export front by booking large value orders from the Soda Ash industry from European markets.

4.60 Expansion of capacity is underway in the existing Iron Foundry. However, due to space constraints, further additional capacity is being created at Muzaffarnagar where Steel Foundry Unit is also located.

STEEL CASTINGS:

4.61 As reported in last year's report, there were positive signs in the market and the unit was able to book good orders.

4.62 The Unit is being expanded in order to meet shorter deliveries of the castings.

4.63 The Unit booked its first orders from USA, prestigious orders from Japan and from European markets.

4.64 It successfully executed its first order for Inconel grade Castings and also received orders for Super Critical Grade P92 material developed last year.

4.65 The electrical connection was upgraded from 11 KV to 33 KV. In addition to uninterrupted electric supply, there would be a 10% saving on cost of power.

4.66 Machine Shop at the unit is being equipped to supply Finished Machine Castings in the very near future.

4.67 The Unit is expected to do better in the current year and have a higher turnover.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONG WITH DETAILED EXPLANATIONS:

4.68 Details of significant changes in key Financial Ratios is enclosed as **Annexure-1**

5.00 REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES AND JOINT VENTURE COMPANIES:

(A) SARASWATI SUGAR MILLS LIMITED (WHOLLY OWNED SUBSIDIARY COMPANY):

(1) As reported in last year's Board Report, the all India sugar production during the season 2017-18 was 325 lakh tonnes whereas consumption was 254 lakh tonnes. This resulted in high carryover of stock.

(2) The Central as well as State Governments, in order to help the Sugar Industry, took various measures, which improved financial position of the sugar mills.

Measures taken by the Central Government:-

(i) Import Duty on sugar was increased from 50% to 100% with effect from 6th February, 2018;

(ii) The mills were directed to export 50 lakh tonnes of sugar produced during season 2018-19, according to the quota allocated to each mill, by 30th September, 2019. The loss resulting to mills from export was proposed to be compensated by way of:-

(a) cane subsidy of ₹ 13.88 per quintal of cane crushed;

(b) transport subsidy.

The compensation is payable to sugar mills subject to compliance of all the orders issued by the Food Ministry, Government of India.

(iii) Re-introduction of the Release Mechanism on 7th June, 2018 under which each factory is not allowed to sell more than the released quota of sugar in the domestic market in a particular month.

(iv) For the first time the Central Government notified Minimum Sale Price (MSP), below which sugar mills are not allowed to sell sugar. The MSP, which was fixed at ₹ 29/- per kg with effect from 7th June, 2018, was revised to ₹ 31/- per kg. with effect from 14th February, 2019.

(v) Creation of Buffer Stock of 30 lakh tonnes of sugar for a period of one year from 15th June 2018. Each sugar mill to get financial assistance on the quantity of Buffer Stock allocated, multiplied by ₹ 29 per kg., as under:-

(a) Interest at 12% p.a. or as actual rate payable by each mill, whichever is less;

(b) Insurance and storage expenses at 1.5% p.a.

(vi) Announcement of scheme of soft loan equivalent to 10.55% of the value of sugar, at ₹ 31 per kg., produced in season 2017-18. Your factory will get loan of ₹ 66.66 crore on which interest subvention @ 7% p.a. will be given for a period of one year from the date of disbursement.

Measures taken by the State Government:

(i) The Haryana State Government, to enable payment of sugarcane price, gave subsidy of ₹ 28.31 crore for the season 2017-18 and ₹ 35 crore (approximately) for the season 2018-19 to your factory.

(ii) The revenue from operation was ₹ 624 crore against ₹ 819 crore in the preceding year due to less quantity of sugar sold as well as low prices of sugar and its by-products, i.e. molasses and bagasse, as a result of higher availability of sugarcane.

Factory Working:

(3) The cane availability was affected due to lower yield because of agro climatic reasons such as excessive and late rains and reduction in the area under sugarcane.

(4) Haryana Government increased the sugarcane prices by ₹ 10 per quintal for the season 2018-19. With the result, like earlier years, Sugar Mills in Haryana paid the highest cane price in India. The comparative sugarcane prices in Haryana and Uttar Pradesh are as under:-

Variety	**Haryana**		**Uttar Pradesh**	
	Season 2018-19 (₹ per Quintal)	**Season 2017-18 (₹ per Quintal)**	**Season 2018-19 (₹ per Quintal)**	**Season 2017-18 (₹ per Quintal)**
Early	340	330	325	325
Mid	335	325	315	315
Late	335	320	315	315

(5) The working of the sugar factory has been very good. There was an improvement in the average crushing rate. The stoppages and steam consumption were also less as compared with the preceding year. The sugar recovery is marginally lower than the preceding season due to lodging (falling) of cane as a result of excessive late rains accompanied by high velocity winds and hailstorms.

(6) The Statistical position is given below:-

Particulars	**Sugar Season (October to September)**	
Saraswati Sugar Mills (SSM)	**2018-19**	**2017-18**
Date of Start of Crushing Operations by SSM	20.11.2018	21.11.2017
Date of Close of Crushing Operations by SSM	13.05.2019	27.05.2018
Cane Crush by SSM (Lakh Tonnes)	16.60	17.69
Recovery (%)	11.49	11.50
Production of sugar by SSM (Lakh Tonnes)	1.91	2.03

All India	**Sugar Season (October to September)**	
Production of Sugar (Lakh Tonnes)	330*	325
Consumption of Sugar (Lakh Tonnes)	260*	250

*These are estimated, as the sugar season is yet to close.

(7) In addition to the aforesaid measures announced by the Central Government to take care of the increased sugar production, the Government announced a scheme for extending loans for the expansion of existing, and setting up of new Distilleries to produce Ethanol. The scheme involves subvention of interest at the rate of 6% p.a. on the loan sanctioned for a period of five years. Your Company has decided to set up a Distillery and has taken preliminary steps such as submitting of an application for environment clearance.

Next Season:

(8) Subject to the normal vagaries of agriculture we expect to have the same quantity of cane next year.

(9) The closing stock of sugar at the end of the season 2018-19, after taking into account the quantity likely to be exported, will be at an all time record. In view of this, sugar prices are not likely to improve.

(B) ISGEC HITACHI ZOSEN LIMITED (SUBSIDIARY AND JOINT VENTURE COMPANY):

(1) The revenue from operations is less during the year as compared with the preceding year. This is due to low order backlog at the start of the year as a result of adverse market conditions. The situation improved substantially during the year and the company has booked orders for more than ₹ 500 Crore, which is a record. The order book includes prestigious order for overseas projects for Vanadium Modified Steel Reactors for ExxonMobil Antwerp Refinery Project and crude column, vacuum column and Product fractionator of Thai Oil Project.

(2) In spite of lower revenue, the company could make a little profit against loss, which was expected at the beginning of the year.

(3) Our on-time delivery performance during the year was good and the customers have appreciated the same.

(4) During the year, the Company has also undertaken repair and maintenance work during the

Shut downs of key equipment at customer's site. We have successfully completed such work for Chambal Fertilizers & Chemical Ltd., and Kanpur Fertilizer & Cement Ltd.

(5) The market condition continues to be good due to new refinery, petrochemical and fertilizer projects in India, South East Asia and Middle East Asia.

(C) ISGEC TITAN METAL FABRICATORS PRIVATE LIMITED (SUBSIDIARY AND JOINT VENTURE COMPANY):

(1) The Company did well during the year under report. The revenue from operations more than doubled as compared to the preceding year.

(2) The Company could book good orders. These included orders for equipment made of Inconel, Titanium and Zirconium domestic as well as for export.

(3) With the strong backing of Titan Metal Fabricators, USA, the Joint Venture Partner, and training provided by them, we qualified to bid for a Zirconium Clad Reactor, Zirconium Column, and Zirconium Coiled Vessel for a Formic Acid Plant.

(D) ISGEC FOSTER WHEELER BOILERS PRIVATE LIMITED (SUBSIDIARY AND JOINT VENTURE COMPANY):

(1) The Company continue to do well and expanded its capacity.

(2) In the coming year, the Company is likely to be awarded more business as compared with the previous year. The Company is, therefore, planning to further expand its engineering capacity by increasing the manpower as well as purchasing more hardware and software.

(3) The Company is also enhancing its engineering capability to handle additional work in new disciplines like Process Engineering, Electrical Instrumentation Control and Civil Structural Steel Engineering and to also perform Basic Engineering in addition to Detail Engineering in many of these Engineering disciplines.

(E) ISGEC REDECAM ENVIRO SOLUTIONS PRIVATE LIMITED (SUBSIDIARY AND JOINT VENTURE COMPANY):

(1) This is the second year of operation of the Company.

(2) As mentioned in the Report for the last year, the Company offered solutions for pollution control, viz. Bag Filters, Hybrid Filters, Electrostatic Precipitators (non fossil fuel), Dry Flue-Gas desulfurization units for DeNOx applications in the industrial segment.

(3) With training and knowledge sharing by Redecam Group S.p.A, Italy, the Joint Venture Partner in the Company, the Company could execute its orders efficiently.

(4) In the coming years the products are likely to have more demand as air pollution norms are likely to get tightened. The Company is preparing itself to deal with it and is poised for further growth during the current year.

(F) OTHER WHOLLY OWNED SUBSIDIARY COMPANIES:

(i) **Free Look Software Private Limited, Isgec Export Limited and Isgec Covema Limited:** There was no commercial activity during the year.

(ii) **Isgec Engineering & Projects Limited:**
There was no commercial activity during the year except letting out of property at Kasauli.

6.00 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

6.01 Four Board Meetings were held during the year, ended 31st March, 2019.

7.00 DIRECTORS' RESPONSIBILITY STATEMENT:

7.01 Your Directors hereby confirm that:

(a) In the preparation of the Annual Accounts for the financial year 2018-19, the applicable Accounting Standards have been followed and there are no material departures;

(b) The Directors have selected such accounting policies with the concurrence of the Statutory Auditors and applied them consistently and made judgments 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;

(c) The Directors 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, 2013. 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;

(d) The Directors have prepared the Annual Accounts on a going concern basis;

(e) The Directors have laid down internal financial controls to be followed by the Company, and these financial controls are adequate and are operating effectively; and

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8.00 INDEPENDENT DIRECTORS:

8.01 All the Independent Directors have furnished declarations that each of them meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

9.00 POLICY ON DIRECTOR'S APPOINTMENT/REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

9.01 The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the key managerial personnel and other employees. While formulating the policy, the Committee will ensure that:-

(i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Committee policy is available on the website of the Company http://www.isgec.com/pdf/The-Nomination-and-Remuneration-Committee-Policy.pdf

10.00 EXPLANATION OR COMMENTS ON QUALIFICATION ETC., BY AUDITORS AND COMPANY SECRETARY IN PRACTICE:

10.01 There is no qualification, reservation or adverse remark or disclaimer made by the Auditors in the Auditor's Report or by the Company Secretary in Practice in Secretarial Audit Report needing explanation or comments by the Board.

10.02 The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

11.00 PARTICULARS OF LOANS / GUARANTEES / INVESTMENTS:

11.01 Particulars of Loans given, Investments made, or Securities provided under Section 186 of the Companies Act are annexed as **Annexure-2**.

12.00 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

12.01 The Company has formulated a Policy on Materiality of Related Party transactions and also on dealing with Related Party transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party transactions has been disclosed on the website of the Company.

12.02 All contracts, arrangements and transactions entered by the Company during the financial year with related parties were in its ordinary course of business and were on arm's length basis.

12.03 Members may refer to note 47: Related Party Disclosures pursuant to Indian Accounting Standard, to the Standalone financial statement for particulars of contracts or arrangements with related parties.

13.00 MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF THE YEAR:

13.01 There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

14.00 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

14.01 The required information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto as **Annexure-3**.

15.00 RISK MANAGEMENT POLICY:

15.01 The Board has developed and implemented a Risk Management Policy for the Company, including for identifying elements of risk, which in the opinion of the Board may threaten the existence of the Company. In terms of the Policy, a detailed risk review is done by Unit Level Committee or Corporate Level Committee (depending upon value of the order) before accepting any order. All the terms and conditions, both financial and technical, are reviewed. All steps are taken to mitigate risks.

15.02 In addition, the Board has laid down a Foreign Exchange Risk Management Policy, which is implemented for hedging Forex risk.

15.03 The Company also takes adequate insurance to protect its assets.

16.00 CORPORATE SOCIAL RESPONSIBILITY:

16.01 The Company has a Corporate Social Responsibility Committee of the Board of Directors as under:-

S.No	Name of the Committee Member	Position
1.	Mr. Ranjit Puri (DIN: 00052459)	Chairman
2.	Mr. Aditya Puri (DIN: 00052534)	Member
3.	Mr. Vinod Kumar Sachdeva (DIN: 00454458)	Member

16.02 In addition to the amount of ₹ 19.59 lakhs pertaining to the previous year, the Company was required to spend a further amount of ₹ 437.30 lakhs for the year ended 31st March, 2019 i.e. an aggregate amount of ₹ 456.89 lakhs.

16.03 The Company has spent ₹ 445.88 lakhs as under:-

a) On Social Projects, including expenditure in areas around Yamunanagar, Delhi: ₹ 410.88 lakhs

b) Contribution to Prime Minister's National Relief Fund : ₹ 35.00 lakhs

Total : ₹ 445.88 lakhs

16.04 Balance amount of ₹ 11.01 lakhs, will be spent during the current year in accordance with the CSR Policy of the Company.

16.05 The annual report on Corporate Social Responsibility is given in the prescribed format annexed as **Annexure-4**.

17.00 ANNUAL EVALUATION BY THE BOARD:

17.01 On the recommendation of the Nomination and Remuneration Committee, the Board has finalized the Evaluation Process to evaluate the entire Board, Committees, Executive Directors and Non-Executive Directors.

17.02 The method of evaluation, as per the Evaluation Process, is to be done by internal assessment through a detailed questionnaire to be completed by individual Directors.

17.03 In accordance with the Companies Act and the Listing Requirements, the evaluation is done once in a year, after close of the year and before the Annual General Meeting.

18.00 ANNUAL RETURN:

18.01 The Annual Return is available on the website of the company at www.isgec.com.

19.00 DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL:

19.01 Mrs. Shivani Hazari (DIN: 00694121) was appointed as an Additional Independent Director on the Board as on February 9, 2019 and her appointment as an Independent Director was approved by members of the company by way of ordinary resolution passed through postal ballot on March 16, 2019.

20.00 NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

20.01 Isgec Canada Inc. was incorporated as a wholly owned Subsidiary Company in Ontario Canada on March 20, 2017. Equity capital was contributed to this company on September 4, 2019. This company acquired Eagle Press & Equipment Co. Ltd. and its group company and amalgamated itself on 18.09.2018

21.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

21.01 There is no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

22.00 INTERNAL FINANCIAL CONTROLS:

22.01 The Company has adequate internal financial controls with reference to financial statements and these are working effectively.

23.00 COMPOSITION OF AUDIT COMMITTEE:

23.01 The composition of Audit Committee is as below:-

S.No	Name of the Committee Member	Position
1.	Mr. Vinod K. Nagpal (DIN: 00147777)	Chairman
2.	Mr. Arun Kathpalia (DIN: 00177320)	Member
3.	Mr. Aditya Puri (DIN: 00052534)	Member

23.02 There is no recommendation by the Audit Committee which has not been accepted by the Board.

24.00 REPORT ON CORPORATE GOVERNANCE:

24.01 Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed as **Annexure-5**.

25.00 CONSOLIDATED FINANCIAL STATEMENTS:

25.01 In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report.

25.02 Further, as required under Rule 5 of the Companies (Accounts) Rules 2014, a statement in form AOC-1 containing salient features of the financial statements of the subsidiary companies is attached as **Annexure-6**.

26.00 DISCLOSURE REGARDING REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013:

26.01 Disclosures regarding remuneration as required under Section 197 (12) of the Companies Act, 2013 are annexed as **Annexure-7**.

26.02 Annexure giving certain details about the employees, in receipt of remuneration of not less than one core and two lakh rupees throughout the financial year or eight lakh and fifty thousand rupees per month during any part of the year, is not annexed with the Boards' Report. In accordance with Section 136 (1) of the Companies Act, 2013 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.

27.00 VIGIL MECHANISM:

27.01 The Company has established a Vigil Mechanism for Directors and Employees in accordance with Sub-section (9) and (10) of Section 177 of the Companies Act, 2013. Details of Vigil Mechanism are given in the Corporate Governance Report. The Vigil Mechanism has been disclosed on the website of the Company.

28.00 MAINTENANCE OF COST RECORDS:

28.01 Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the provision of maintenance of cost records is applicable on the Company, accordingly the cost accounts and records are made and maintained by the Company.

29.00 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

29.01 The Company has in place a Policy of Prevention on Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment.

30.00 SECRETARIAL AUDIT REPORT:

30.01 The Board of Directors of the Company has appointed M/s. Pramod Kothari & Co., Company Secretaries, to conduct the Secretarial Audit.

30.02 Pursuant to Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by Mr. Pramod Kothari of M/s. Pramod Kothari &Co, Company Secretaries, is annexed as **Annexure-8**.

31.00 SECRETARIAL STANDARDS

31.01 The Company complies with all applicable secretarial standards.

32.00 PERSONNEL:

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

33.00 INDUSTRIAL RELATIONS:

33.01 Industrial relations remained peaceful.

34.00 ACKNOWLEDGEMENTS:

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

34.02 With these remarks, we present the Accounts for the year ended March 31, 2019.

BY ORDER OF THE BOARD

Vinod K. Nagpal	Aditya Puri	Sidharth Prasad
Director	Managing Director	Director
DIN: 00147777	DIN: 00052534	DIN: 00074194

Place: Noida
Date: May 29, 2019

ANNEXURE-1

Details of Significant Changes in Key Financial Ratios

	Financial Ratio	Formulae	FY 2018-2019	FY 2017-2018	Percentage variance	Comments
1	Debtors turnover	Turnover/ Average debtors	2.76	2.32	19.00	
2	Inventory Turnover	Sale of products/ Average inventory	6.65	4.98	34.00	
3	Interest Coverage Ratio	PBIT/Interest cost	15.47	30.40	49.00	Interest includes interest paid on certain advances received from customers. The interest coverage ratio continues to be very healthy.
4	Current Ratio	Current Assets/ Current Liabities	1.35	1.47	-8.00	
5	Debt Equity Ratio	Total Liability/ Equity	2.16	1.72	26.00	
6	Operating Profit Margin	PBIT/Total Revenue	5.21%	6.46%	-19.00	Operating profit has reduced as there was impact of sharp increase in steel prices during the execution of orders. Profit was also impacted due to substantial legal expenses due to the Arbitration Case related to Cavite Biofuels Phillipines Project.
7	Net Profit Margin	Net Profit after tax/Total Revenue	3.08%	4.43%	-30.00	Operating profit has reduced as there was impact of sharp increase in steel prices during the execution of orders. Profit was also impacted due to substantial legal expenses due to the Arbitration Case related to Cavite Biofuels Phillipines Project.
8	Return on net worth	Net Profit/ Equity	9.52%	9.73%	-2.00	

ANNEXURE-2

Particulars of Loans, Guarantees and Investment under Section 186 of Companies Act 2013 as at 31.03.2019

(₹ in Lakhs)

Sr. No.	Nature of the transaction (Loans given/Guarantee given/Security Provided/Investments made)	Purpose for which the loan/guarantee/ security is utilised by the recipient	Amount
(1)	**Guarantees to Banks for Isgec Hitachi Zosen Limited.**		
	Standard Chartered Bank	Corporate Guarantee to Secure Working Capital Bank facility	7,672.88
	State Bank of India	Corporate Guarantee to Secure Working Capital Bank facility	11,500.00
	Kotak Mahindra Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	7,500.00
	HDFC Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	8,500.00
	The Hongkong and Shanghai Banking Corporation Limited	Corporate Guarantee to Secure Working Capital Bank facility	4,000.00
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	6,500.00
	BNP Paribas Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	4,000.00
			49,672.88
(2)	**Guarantees to Banks for Isgec Titan Metal Fabricators Pvt. Ltd,**		
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	2,200.00
	Kotak Mahindra Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	1,125.00
			3,325.00
(3)	**Guarantees to Banks for Isgec Redecam Enviro Solutions Pvt. Ltd.**		
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Bank facility	2,000.00
			2,000.00

(4)	Investment	Face Value ₹ per Share / Unit	No. of Shares/ Units	Amount
a)	**Equity Shares of Subsidiary & Joint Venture Companies (At cost):**			
	Isgec Covema Limited - Wholly owned subsidiary	10	20,00,000	200.00
	Isgec Exports Limited - Wholly owned subsidiary	10	1,00,000	10.00
	Isgec Engineering & Projects Limited - Wholly owned subsidiary	10	40,00,000	400.00
	Saraswati Sugar Mills Limited - Wholly owned subsidiary	10	70,99,900	7,009.99
	Freelook Software Private Limited - Wholly owned subsidiary	10	24,650	1,306.45
	Eagle Press & Equipment Co. Ltd. - Wholly owned subsidiary		45,00,000	2,643.05
	Isgec Hitachi Zosen Limited - Joint Venture Company	10	5,10,00,000	5,100.00
	Isgec Foster Wheeler Boilers Pvt. Limited - Joint Venture Company	10	10,20,000	102.00
	Isgec Titan Fabricators Pvt. Limited - Joint Venture Company	10	5,10,000	51.00
	Isgec Redecam Enviro Solutions Pvt. Limited - Joint Venture Company	10	10,20,000	102.00
b)	**Other Investments (At cost):**			
	SVC Co-operative Bank Limited	25	100	0.03
	Non Convertible Debentures of Canara Bank - 9.55% BD Perpetual	10,00,000	50	500.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-604	1,00,000	500	500.00
	Non Convertible Debentures of Reliance Capital Limited NCD Series-B/406	1,00,000	1,000	1,000.00
	7.55% DHFL Bonds		40	407.38
	Total :			**19,331.89**
	Grand Total :			**74,329.77**

ANNEXURE-3

PARTICULARS REQUIRED UNDER RULE 8 (3) OF COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY:

(a) **The steps taken or impact on Conservation of Energy:**

Efforts for energy conservation are a continuing process. These efforts continued during the year. The following steps were taken towards:-

1. Reduction of power consumption:

   (i) Replacement of lower rating air conditioners with five star rating air conditioners;

   (ii) Replacement of conventional lights with LED lights;

   (iii) Replacement of ceiling fans with energy efficient ceiling fans;

   (iv) Replacement of old electrical panels with energy efficient devices.

(b) Steps taken by the Company for utilizing alternate sources of energy:

(i) In the last two years, 750 KW Solar power plants were installed at our factories. During the current year, additional 750 KW Solar power plants have been installed at Yamunanagar and Rattangarh plants.

(c) The Capital Investment on energy conservation equipment:

Approximately ₹ 22 lakhs

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

(a) The Company has following Technology Agreements:-

1. Boilers

   (i) With Sumitomo SHI FW Energia Oy, Finland

   - For Circulating Fluidized Bed Combustion (CFBC) Boilers upto 99.9 Mwe;
   - For Reheat design for CFBC Boilers upto 100 Mwe.

   (ii) With BHI FW, Korea

   - For Pulverized Coal Fired Sub-Critical Boilers and Super-Critical Boilers (60 Mwe to 1000 Mwe).

   (iii) With Amec Foster Wheeler Energia S.L.U, Spain

   - For Feed Water Heaters and Surface Condensers
   - For Oil & Gas, Shop Assembled Water Tube Packaged Boilers up to 260 Tonnes per hour

   (iv) With Siemens Heat Transfer Technology b.v. Netherlands

   - For design, fabrication and installation of Drum type Heat Recovery Steam Generators

2. <u>Air Pollution Control Equipments</u>

   (i) With Envirotherm GmbH, Germany, for manufacture of Electrostatic Precipitators (ESP) up to 1000 Mwe.

   (ii) With Fuel Tech, USA, for Selective Non-Catalytic Reduction (SNCR) for NOx reduction.

   (iii) With Babcock Power Environmental, USA, for Wet Flue Gas De-sulpharization units for reduction of SOx.

3. <u>Presses</u>

   (i) With AP& T., Sweden, for Hot Stamping Presses.

4. <u>Process Equipments</u>

   (i) With TEI, USA, for Screw Plug Heat Exchanger and Process Waste Heater Boiler.

   (ii) With CB&I Technology Inc. (Formerly, CB&I Lummus) for design and manufacture of Helix Heat Exchangers.

5. <u>Process Fired Heaters</u>

   (i) With Riley Power, USA, for Process Fired Heaters.

6. <u>Bulk Material Handling</u>

   (i) With Taim Weser, Spain for material handling equipment and systems for ports, mining, cement plants, power plants, etc.

The technology under these Agreements is being progressively absorbed by transfer of know-how and software, designs and through deputing our personnel for training at the shops, offices and installation sites of our collaborators. In case of clarification, the designs are vetted by the collaborators. This process continued during the year.

(b) **During the year, the Company entered into new technology agreements as under:-**

NIL

(ii) The benefits derived like product improvement, cost reduction, product development or substitution:

Product development in certain cases as also improvisation on the products under these agreements has also been achieved.

The Company stands to benefit in revenues due to opening of new business opportunities. As we establish ourselves in these areas going forward, profitability is also likely to improve.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

In case of imported technology, the Company did not import or buy any technology as such during the previous three financial years. However, it entered into Technical Collaboration Agreements as per details given below:-

a) Details of technology imported	Selective Non-Catalytic Reduction (SNCR) from Fuel TechUSA, for NOx reduction in units of Thermal Power, Cement, Steel	Wet Flue Gas De-sulpharization unit from M/s. Babcock Power Environmental, USA, for reduction of SOx.	Clinker Cooler packages for Cement Plants from M/s. Claudius Peters, Germany	Hot Stamping Presses from M/s. AP & T., Sweden	Screw Plug Heat Exchanger and Process Waste Heater Boiler from M/s. TEI, USA.	Process Fired Heaters from M/s. Riley Power, USA.	Material Handling Equipment and Systems with TaimWesser, Spain.
(b) Year of Import	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2018
(c) Whether technology has been fully absorbed	Not Yet	Not Yet	Not Yet	Not Yet	Yes	Not Yet	Not Yet
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	We are actively looking for the opportunity of supplying presses under this agreement and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.		We are actively looking for the opportunity of supplying equipments under this agreement and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and one project is presently being executed with this technology. The technology will be absorbed as more projects are executed in the next few years.

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO:** (in terms of actual inflows and actual outflows)

(i) Total Foreign Exchange Earnings and outgo (2018-19) - Cash Basis

	(Amount in ₹ Lakhs)
- Total Foreign Exchange Earnings	99,450
- Total Foreign Exchange Outgo	29,637

ANNEXURE-4

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The Board has approved a Policy for CSR expenditure on the following activities:-

   (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water.

   (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

   (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

   (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga);

   (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

   (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

   (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;

   (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women;

   (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

   (x) Rural development projects.

   (xi) Slum area development.

   Explanation: for the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

   (xii) The Company will give preference to the local area or areas around which the Company operates for spending the CSR expenditure.

2. **The Composition of the CSR Committee:**

S.No	Name of the Committee Member		Position
1.	Mr. Ranjit Puri	(DIN: 00052459)	Chairman
2.	Mr. Aditya Puri	(DIN: 00052534)	Member
3.	Mr. Vinod Kumar Sachdeva	(DIN: 00454458)	Member

3. Average net profit of the company for last three financial years: ₹ **21,865.04** lakhs

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ **437.30** lakhs

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year: ₹ **456.89** lakhs, including ₹ **19.59** lakhs unspent amount of previous year.

   (b) Amount unspent, if any: ₹ **11.01** lakhs

   (c) Manner in which the amounts were spent during the financial year are detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs were undertaken**	**Amount outlay (budget) -projects or programs-wise (₹ In lakhs)**	**Amount spent on the projects or program Sub -heads (1) Direct Expenditure on projects or programs (2) Over-heads (₹ In lakhs)**	**Cumulative expenditure up to the reporting period (₹ In lakhs)**	**Amount spent direct or through implementing agency**
1	Supporting Education Activities at summer camp for 240 children of nearby rural area of Bilaspur-Yamunanagar	Promoting Education	Yamunanagar in Haryana	1.82	1.81	1.81	Direct
2	Contribution to Kerala Flood Relief fund through chief Minister's Distress Relief Fund.	Natural calamity caused by flood in Kerala	Districts of Thiruvananthapuram in Kerala	50.00	50.00	50.00	Chief Minister's Distress Relief Fund
3	Contribution for laying of sewer lines for Sulabh Shauchalaya at civil hospital, Yamunanagar	Preventive Health care and Sanitation	Yamunanagar in Haryana	0.71	0.71	0.71	Direct
4	Contribution to Jagadhri Yamunanagar Tennis Association for Promotion of nationally recognized Sports	Promotion of rural/nationally recognized Sports	Yamunanagar in Haryana	1.00	1.00	1.00	Jagadhri Yamunanagar Tennis Association
5	Contribution for Addition of class rooms/ Library / Computer labs in various schools	Promoting Education	Area of Bhatukheri, Pindorai, Jalalpur, Nozal, Shamli, Khatauli (Uttar Pradesh)	25.00	25.00	25.00	Various Schools and Other Institutions
6	Donation to mobile Crèche's	Daycare services to children of disadvantaged section of society	DIZ Area, Raja Bazaar, New Delhi	1.5	1.5	1.5	Mobile Creche's
7	Contribution to Cancer Awareness Prevention and Early detection trust	Promoting Health Care & preventive health care	District of Ballabhgarh, Faridabad, Haryana	5.00	5.00	5.00	CAPED (cancer awareness prevention and early detection)
8	Financial assistance for upliftment of Football	Training to Promote rural Sports, nationally recognized Sports	Yamunanagar in Haryana	1.00	1.00	1.00	Football Association
9	Contribution to Delhi Commonwealth Women's Association	Promoting Health Care & preventive health care Safety & Security	Zamrudpur, New Delhi	5.00	5.00	5.00	Delhi Commonwealth women's association
10	Contribution for expansion of Nai Disha School & opening of new school	Promoting Education	Nai Disha School, Kishangarh, Vasant Kunj, New Delhi	37.25	37.25	37.25	Nai Disha Educational and Cultural Society
11.	Contribution for digging work of river Nagin	Promoting Health Care	Khatauli district , Muzaffarnagar	5.00	5.00	5.00	District Magistrate, Muzaffarnagar
12	Donation for imparting basketball training to underprivileged in slum areas	Promoting Education	Noida, Uttar Pradesh	32.50	32.50	32.50	Dribble Academy foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs were undertaken**	**Amount outlay (budget) -projects or programs-wise (₹ In lakhs)**	**Amount spent on the projects or program Sub -heads (1) Direct Expenditure on projects or programs (2) Over-heads (₹ In lakhs)**	**Cumulative expenditure up to the reporting period (₹ In lakhs)**	**Amount spent direct or through implementing agency**
13	Civil work/ Electrification/solar system Installation at schools	Promoting Education	Various schools in Yamunanagar	150.27	148.75	148.75	Direct
14	Survey of plot and making drawing	Football Academy field at Yamunanagar	Yamunanagar in Haryana	0.40	0.25	0.25	Direct
15	Stipend paid to Apprentice selected for Training & Skill development	Promoting employment enhancing vocational Skills	Yamunanagar in Haryana	44.27	44.27	44.27	Direct
16	Salary paid to personnel involved in CSR Activities	Promoting CSR Activities	Yamunanagar in Haryana	21.84	21.84	21.84	Direct
17	Contribution to upkeep the existing infrastructure of S.D. College	Promoting Education	Area of Ambala Cantt. and Noida	30.00	30.00	30.00	S.D. College Society
18	Contribution to Prime Minister's National Relief Fund	Relief to families of those killed in natural calamities, victims of major accidents, riots and major medical treatment	New Delhi	35.00	35.00	35.00	Prime Minister's Relief Fund
	TOTAL			**447.56**	**445.88**	**445.88**	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

The Company was required to spend a sum of ₹ 19.59 lakhs for the financial year 2017-18 and ₹ 437.30 lakhs for the financial year 2018-19 totaling to ₹ 456.89 lakhs. An Amount of ₹ 445.88 lakhs has been spent as detailed above. The balance minor amount of ₹ 11.01 lakhs will be spent next year.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The Company has spent the amount as mentioned above in accordance with the CSR Policy and shall be spending the balance amount of ₹ 11.01 lakhs during the current year.

Aditya Puri
(Managing Director)

Ranjit Puri
(Chairman – CSR Committee)

ANNEXURE-5

Report on Corporate Governance

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

The Company's philosophy on Code of Governance is to comply with the requirement of disclosures and also principles of Corporate Governance, as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendments thereof.

The Company also fulfills its obligations of compliance with regard to appointment of Compliance Officer, filing on electronic platform and with Stock Exchange and publishing in newspapers.

2. **Board of Directors:**

(a) Composition and Category of Directors:

The composition of the Board is in compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board comprises of a Non-Executive Chairman (Promoter), two Executive Directors (Promoters) and seven Non-Executive Independent Directors.

(b)&(c) Attendance of each Director at the Board Meetings and at the last Annual General Meeting and 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 and Committee Memberships in other companies as disclosed			
			Public	Private	Committee Membership	Committee Chairmanship
Non-Executive Chairman & Promoter						
Mr. Ranjit Puri	4	Yes	4	-	1	-
Executive Directors & Promoters						
Mr. Aditya Puri, Managing Director	4	Yes	9	-	3	-
Mrs. Nina Puri, Whole-time Director	2	No	1	-	-	-
Non-Executive Independent Directors						
Mr. Arun Kathpalia	1	No	-	4	-	-
Mr. Sidharth Prasad	3	No	2	6	-	-
Mrs. Shivani Hazari *	1	No	-	3	-	-
Mr. Tahir Hasan	4	Yes	4	1	-	2
Mr. Vinod K. Nagpal	4	Yes	1	2	-	2
Mr. Vinod Kumar Sachdeva	4	Yes	1	-	-	-
Mr. Vishal Kirti Keshav Marwaha	4	Yes	2	3	1	1

*Mrs. Shivani Hazari was appointed on February 09, 2019

Name of other listed entities where Directors of the Company are Directors and the category of Directorship:

S.No	Name of Director	Name of Listed Entities in which the concerned Director is a Director	Category of Directorship
1.	Mr. Ranjit Puri	M/s The Yamuna Syndicate Limited	Non-Executive Non Independent Director
		M/s Jullundur Motor Agency Limited	Non-Executive Director
2.	Mrs. Nina Puri	-	-
3.	Mr. Aditya Puri	M/s The Yamuna Syndicate Limited	Non-Executive Non Independent Director
4.	Mr. Arun Kathpalia	-	-
5.	Mr. Sidharth Prasad	M/s The United Provinces Sugar Company Limited	Non-Executive Non Independent Director
6.	Mrs. Shivani Hazari	-	-
7.	Mr. Tahir Hasan	M/s Shervani Industrial Syndicate Limited	Executive Director
8.	Mr. Vinod K. Nagpal	M/s The Yamuna Syndicate Limited	Non-Executive Independent Director
9.	Mr. Vinod Kumar Sachdeva	-	-
10.	Mr. Vishal Kirti Keshav Marwaha	M/s Jubillant Foodworks Limited (Resigned w.e.f. April 01, 2019)	Non-Executive Independent Director

(d) Number of Board Meetings held and dates on which held:

Four Board Meetings were held on the following dates during the year:-

- May 28, 2018
- August 07, 2018
- November 13, 2018
- February 09, 2019

(e) Disclosure of relationships between directors inter-se:

- Mr. Ranjit Puri, Chairman, is husband of Mrs. Nina Puri, Whole Time Director and father of Mr. Aditya Puri, Managing Director.
- Mr. Aditya Puri, Managing Director is son of Mr. Ranjit Puri, Chairman and Mrs. Nina Puri, Whole Time Director.
- Mrs. Nina Puri, Whole Time Director is wife of Mr. Ranjit Puri, Chairman and mother of Mr. Aditya Puri, Managing Director.
- No other Director is related inter-se.

(f) Number of shares held by Non-executive independent directors:

S. No.	Name of Director	Number of Shares held
1.	Mr. Arun Kathpalia	1,200
2.	Mr. Ranjit Puri	65,92,010
3.	Mr. Sidharth Prasad	Nil
4.	Mrs. Shivani Hazari	Nil
5.	Mr. Tahir Hasan	17,600
6.	Mr. Vinod K. Nagpal	2,610
7.	Mr. Vinod Kumar Sachdeva	3,900
8.	Mr. Vishal Kirti Keshav Marwaha	Nil

(g) Web link where details of familiarisation programmes imparted to independent directors is disclosed: http://www.isgec.com/aboutus-independent-directors

(h) Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses (Manufacturing Heavy Engineering Capital Goods and Engineering, Procurement and Construction Projects), policies and culture, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- Financial and Management skills, Legal knowledge,
- Technical / Professional skills and specialized knowledge in relation to Company's business.

(i) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

There are no inter-se relationships between the Directors of the Company.

(j) Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:

None

3. Audit Committee:

(a) Brief description of terms of reference:

The Board has specified in writing the terms of reference in accordance with Section 177(4) of the Companies Act, 2013. In addition, the Audit Committee keeps in view its role as provided under Part-C of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b)&(c) Composition, name of members, chairman and meetings & attendance during the year:

S. No.	Name of the Committee Member	No. of meetings attended	Number of Meetings and Dates of Meeting held	
			Number of Meetings	**Date of Meetings**
1.	Mr. Vinod K. Nagpal, Chairman	4	4	May 28, 2018, August 05, 2018, November 13, 2018 and February 05, 2019
2.	Mr. Arun Kathpalia, Member	4		
3.	Mr. Aditya Puri, Member	4		

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

4. Nomination and Remuneration Committee:

(a) Brief description of terms of reference:

The terms of reference of Nomination and Remuneration Committee are to perform the functions as provided under sub section (2), (3) & (4) of section 178 of the Companies Act, 2013. In addition, the Nomination and Remuneration Committee keeps in view its role as specified in Part – D of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b)&(c) Composition, name of members, chairman and meetings and attendance during the year:

S. No.	Name of the Committee Member	No. of meetings attended	Number of Meetings and Dates of Meeting held	
			Number of Meetings	Date of Meetings
1.	Mr. Vinod K. Nagpal, Chairman	3	3	May 28, 2018 August 07, 2018 February 08, 2019
2.	Mr. Vinod Kumar Sachdeva, Member	3		
3.	Mr. Arun Kathpalia, Member	0		

All the members of Nomination and Remuneration Committee are Non-Executive and Independent Directors.

Mr. S.K. Khorana, Company Secretary, is the Secretary of the Nomination and Remuneration Committee.

(d) Performance evaluation criteria for Independent Directors:

The Evaluation process formulated by the Nomination and Remuneration Committee provides criteria for evaluation of Independent Directors in accordance with the Guidance Note issued by SEBI vide Circular dated January 05, 2017.

5. Details of remuneration paid to Directors:

(i) Executive Directors:

Details of Remuneration paid to Executive Directors: **(₹ in Lakhs)**

S. No	Particulars	Mr. Aditya Puri Managing Director	Mrs. Nina Puri Whole Time Director	Total
(i)	Salary	60.00	60.00	120.00
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	14.70	8.70	23.40
(iii)	Other Perquisites	0.40	1.56	1.96
(iv)	Commission	1,218.90	1,223.74	2,442.64
	Total	**1,294.00**	**1,294.00**	**2,588.00**

(ii) Non-Executive Directors:

Details of Remuneration paid to Non-Executive Directors:

S. No.	Name of Director	Nature of Payment & Amount (₹)		Total Amount (₹)
		Commission	Sitting Fee	
1.	Mr. Vinod K. Nagpal	25,000	3,00,000	3,25,000
2.	Mr. Tahir Hasan	25,000	2,50,000	2,75,000
3.	Mr. Ranjit Puri	25,000	2,70,000	2,95,000
4.	Mr. Arun Kathpalia	25,000	1,40,000	1,65,000
5.	Mr. Vinod Kumar Sachdeva	25,000	2,80,000	3,05,000
6.	Mr. Sidharth Prasad	25,000	2,25,000	2,50,000
7.	Mr. Vishal Kirti Keshav Marwaha	25,000	2,50,000	2,75,000
8.	Mrs. Shivani Hazari	3,493	1,00,000	1,03,493
	Total	**178,493**	**18,15,000**	**19,93,493**

No remuneration other than sitting fee and commission as aforesaid is paid to non-executive Directors. There has been no pecuniary relationship or transactions between the Company and non-executive Directors during the year 2018-19. There are no stock options available/issued to any non-executive Director of the Company. There are no convertible instruments issued to any of the non-executive Directors of the Company.

6. Stakeholders Relationship and Grievances Committee :

(a) 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

(b) Name and designation of Compliance Officer:

Mr. S.K. Khorana, Company Secretary.

(c) Number of Shareholder's complaints received so far:

Two

(d) Number of complaints not solved to the satisfaction of Shareholders:

Nil.

(e) Number of pending complaints:

Nil.

7. General Body Meetings:

(a) Location and time where last three Annual General Meetings (AGM) held:

Date	Location	Time
August 10, 2016	Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana	11:30 A.M.
July 29, 2017		11:30 A.M.
August 07, 2018		11:30 A.M.

(b) Whether any Special Resolution passed in the previous three AGMs:

Yes,

(i) Special Resolution regarding re-appointment of Mrs. Nina Puri as Whole Time Director of the Company for a further period of 5 years upto February 15, 2022 with effect from February 16, 2017 was passed in the AGM held on August 10, 2016.

(ii) Special Resolutions regarding re-appointment of Mr. Arun Kathpalia, Mr. Tahir Hasan, Mr. Vinod Kumar Nagpal and Mr. Vinod Kumar Sachdeva as Independent Director for another term until the conclusion of Annual General Meeting to be held in year 2020 to consider the Accounts for the financial year March 31, 2020, was passed in the AGM held on July 29, 2017.

(iii) Special Resolution regarding increase in borrowing limits under section 180(1)(c), of the Companies Act, 2013 was passed in the AGM held on August 07, 2018.

(c&d) Whether any Special Resolution passed last year through postal ballot-details of voting pattern:

Yes,

During the year, the shareholders of the Company passed five special resolutions through postal ballot. The special resolutions were passed on March 16, 2019.

Mr.Rajinder Kumar Bhalla, Company Secretary in Practice has conducted the scrutiny of postal ballot exercise.

Details of the Voting results of postal ballot is given below:

Item No.	Particulars of Resolutions	Total No. of Shares of face value ₹ 10/- each	Total votes cast in Favour		Total votes cast in Against	
			No. of shares	% of votes	No. of shares	% of votes
1.	**Special Resolution:** Continuation of the directorship of Mr. Vinod Kumar Sachdeva, Non-Executive Independent Director of the Company.	60,86,833	60,84,314	99.96	2,519	0.04
2.	**Special Resolution:** Continuation of the directorship of Mr. Ranjit Puri, Non-Executive Director of the Company.	15,08,298	15,06,563	99.88	1,735	0.12
3.	**Special Resolution:** Approval of remuneration of Mr. Aditya Puri, Managing Director in terms of Regulation 17(6)I of SEBI Amended Listing Regulations for the remaining tenure of his appointment.	15,08,298	13,66,309	90.58	1,41,989	9.42
4.	**Special Resolution:** Approval of remuneration of Mrs. Nina Puri, Whole Time Director in terms of Regulation 17(6)I of SEBI Amended Listing Regulations for the remaining tenure of her appointment.	15,08,298	13,64,530	90.46	1,43,768	9.54
5.	**Special Resolution:** Approval for Alteration of Capital Clause in Memorandum of Association of the Company.	60,86,833	60,86,833	100	-	-

(e) Whether any special resolution is proposed to be conducted through postal ballot:

At present, there are no postal ballots proposed to be held.

(f) Procedure for Postal Ballot:

The Company conducted the postal ballot, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations.

8. Means of Communication:

(a) Quarterly/Annual Results:

Yes, Published in Newspaper.

(b) Newspapers wherein results normally published:

(i) Business Standard (English) and

(ii) Hari Bhoomi (Hindi).

(c) Any website, where displayed:

(i) On Company's website : www.isgec.com

(ii) On BSE's website: www.bseindia.com

(d) Whether it also displays official news releases:

There was no official news release.

(e) The presentations made to institutional investors or to the analysts:

The Company has made presentations to Institutional Investors and analysts at conferences organized by leading brokers, four times during the year. Copies of presentations were submitted to Bombay Stock Exchange and also uploaded on Company's website.

9. General Shareholder information:

(a) Annual General Meeting date, time and venue:

Annual General Meeting will be held on August 10, 2019 at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar- 135001, Haryana.

(b) Financial Year:

April 1, 2018 to March 31, 2019.

(c) Dividend Payment Dates:

i) February 22, 2019 for Interim Dividend.

ii) September 09, 2019 for Final Dividend.

(d) Listing on Stock Exchange:

Listed on Bombay Stock Exchange (BSE) at 25th Floor, P.J. Tower, Dalal Street fort, Mumbai-400001.

It is confirmed that payment of Annual Listing Fee for Financial year 2019-2020 has been made by Company to stock exchange.

(e) Stock Code:

The Stock Code Number is ISIN – INE858B01011 (From April 1, 2018 to March 29, 2019).

The Stock Code Number is ISIN – INE858B01029 (From March 30, 2019 onwards, pursuant to Sub Division of 1 Equity Share of nominal value ₹ 10/- each fully paid up into 10 Equity Share of ₹ 1/- each fully paid up w.e.f March 30, 2019).

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

(f) Stock Market Price Data: High and Low during each month in the year on BSE:

(i) In respect of equity share of face value of ₹ 10/- each:-

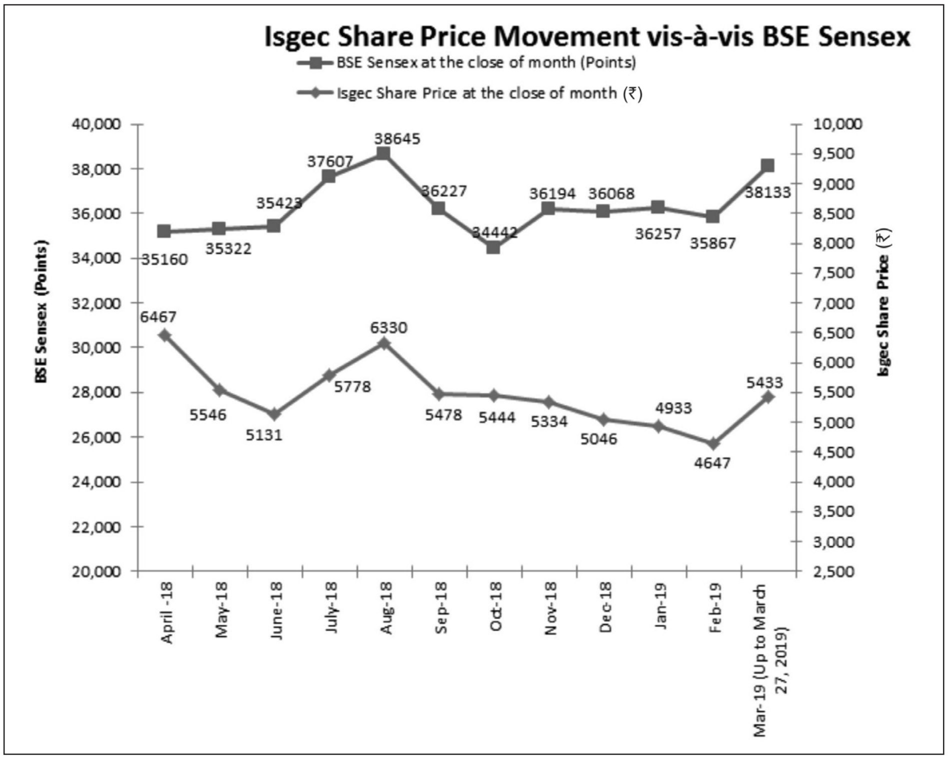
Month	**Bombay Stock Exchange**	
	Highest (₹)	**Lowest (₹)**
April, 2018	7139.90	6400.00
May, 2018	6600.00	5325.40
June, 2018	5848.00	4991.10
July, 2018	5871.00	4999.95
August, 2018	6438.00	5608.05
September, 2018	6368.60	5190.25
October, 2018	5889.95	5100.00
November, 2018	5797.00	5255.55
December, 2018	5448.00	4960.00
January, 2019	5149.80	4627.00
February, 2019	5249.95	4644.95
Up to March 27, 2019	5760.00	4650.00

(ii) In respect of equity share of face value of ₹ 1/- each:-

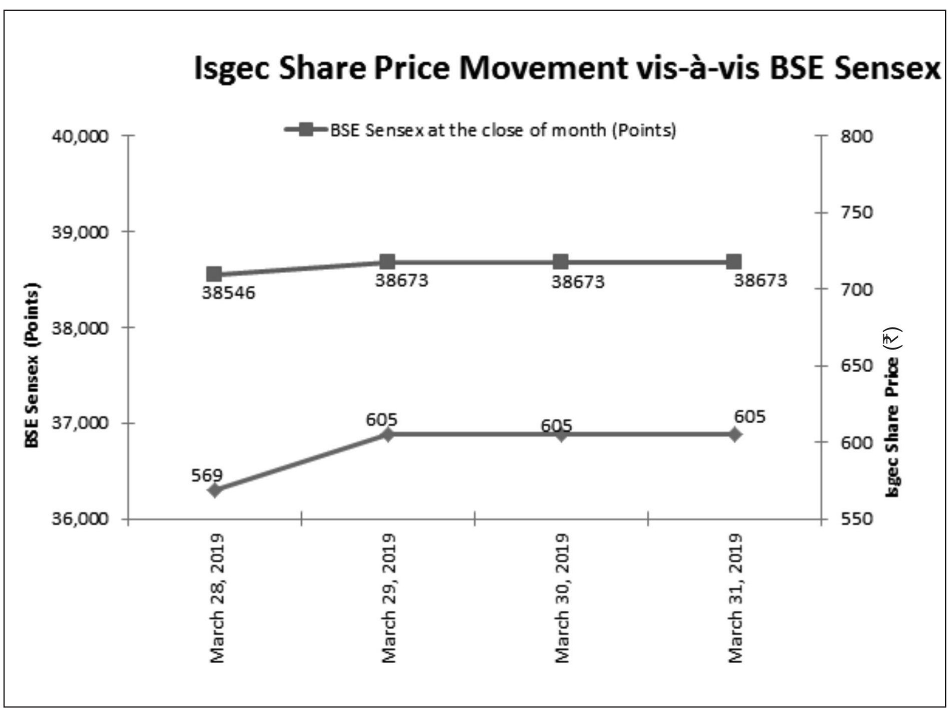
Month	**Bombay Stock Exchange**	
	Highest (₹)	**Lowest (₹)**
March 28, 2019	580.00	553.10
March 29, 2019	622.00	560.00
March 30, 2019	622.00	560.00
March 31, 2019	622.00	560.00

(g) Share Price Performance in comparison to BSE Sensex:

i) In respect of equity share of face value of ₹ 10/- each:-



ii) In respect of equity share of face value of ₹ 1/- each:-



(h) Securities suspended from trading:

Not Applicable

(i) Registrar and Transfer Agents:

M/s. Alankit Assignments Limited,
'Alankit House', 4E/2, Jhandewalan Extension, New Delhi– 110055.
Phone: +91-11-42541234, 23541234, Fax : +91-11-23552001,
Email: alankit@alankit.com

(j) 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.

(k) Distribution of shareholding:

The Distribution of shareholding as on March 31, 2019:

Shareholding of Nominal Value	Shareholders		Share Amount	
₹	Number	% of Total	(in ₹)	% of Total
Upto - 5,000	**10705**	96.703	36,71,221	4.992
5,001 - 10,000	**143**	1.292	10,68,490	1.453
10,001 - 20,000	**96**	0.867	14,27,729	1.942
20,001 - 30,000	**32**	0.289	7,82,060	1.064
30,001 - 40,000	**18**	0.163	6,27,800	0.854
40,001 - 50,000	**13**	0.117	5,93,352	0.807
50,001 - 1,00,000	**22**	0.199	15,71,688	2.137
1,00,001 and above	**41**	0.370	6,37,87,170	86.751
TOTAL	**11,070**	**100.00**	**7,35,29,510**	**100.00**

Shareholding pattern as on March 31, 2019:

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	5	4,57,85,350	62.27%
FIs, Banks & Mutual Funds	38	87,64,170	11.92%
Others (Public)	11,027	1,89,79,990	25.81%

(l) Dematerialization of shares and liquidity:

97.62% of share capital has been dematerialized as on March 31, 2019.

(m) 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.

(n) Foreign exchange risk and hedging activities:

The Board has laid down a Foreign Exchange Risk Management Policy, which is implemented for hedging Forex risk.

(o) Plant and Business locations:

A. Engineering, Procurement and Construction:

	Name	Item	Address for correspondence
(i)	Noida	Boilers, Air Pollution Control Equipment, Sugar Plant & Machinery, Power Plants, Factories and Material Handling System and Water Treatment	(i) A-5, A-7 and A-8, Sector – 63, Noida – 201301, U.P. (ii) A-4, Sector – 24 Noida – 201301, U.P.
(ii)	Chennai	Design office	25, MC Nichols Road, Grace Building, Chetpet, Chennai-600031
(iii)	Pune	Design office	T-29/31, Om Chambers, 303 Bhosari, Telco Road, MIDC, Bhosari, Pimtri-Chinchwad, Maharashtra-411026

B. Plant Location

	Name	Item of Manufacture	Address for correspondence
(i)	Radaur Road, Yamunanagar	Pressure Vessels & Heat Exchangers, Presses– Mechanical & Hydraulic, Boilers, Container, Castings, Sugar and other Industrial Machinery.	Isgec Heavy Engineering Limited Radaur Road, Yamunanagar-135001 Haryana.
(ii)	Rattangarh, Yamunanagar	Pressure Parts for Boilers	Isgec Heavy Engineering Limited Rattangarh, Yamunanagar-135001 Haryana.
(iii)	Dahej	Pressure Vessels, Columns, Heat Exchangers.	Isgec Heavy Engineering Limited 13/B, G.I.D.C Industrial Estate, Dahej, Taluka- Vagara, Dist. Bharuch-392130. Gujarat.
(iv)	Dahej	Process Equipment	Isgec Heavy Engineering Limited Plot No. Z-89, Dahej Special Economic Zone Part-II, Taluka: Vagra, Bharuch-392130, Gujarat
(v)	Muzaffarnagar	Castings - Steel & Iron	Isgec Heavy Engineering Limited Village Nara, P.O. Mansurpur–251203, District Muzaffarnagar, U.P.
(vi)	Bawal	Standard Mechanical Presses and other Industrial Machinery	Isgec Heavy Engineering Limited Plot No. 123, Sector-6, HSIIDC, Industrial Growth Centre, Bawal, Distt. Rewari-123501 Haryana.

(p) 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: 01732-661061 Email: roynr@isgec.com

q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instrument of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of fund, whether in India or abroad is enclosed as **Annexure-I**.

10. Disclosures

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

Nil.

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

None.

(c) Vigil Mechanism/Whistle Blower Policy:

The Company has established a Vigil Mechanism for Directors and Employees to report genuine concerns or grievances and instances of leak of Unpublished Price Sensitive Information (UPSI). The Audit Committee of the Company oversees the Vigil Mechanism. The Vigil Mechanism has been disclosed on website of the Company. In case any complaint relates to the Managing Director or any Non-independent Director, in exceptional or appropriate cases any employee may report his concern to Mr. Vinod K. Nagpal, Chairman of the Audit Committee.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements.

(e) Subsidiary Company:

The Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at web link namely http://www.isgec.com/pdf/Policy-for-Determining-Material-Subsidiaries.pdf

(f) Related Party Transactions:

The Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is disclosed on the Company's website at web link namely http://www.isgec.com/pdf/Policy-on-Related-Party-Transactions.pdf

(g) Disclosure of commodity price risks and commodity hedging activities:

The Company is exposed to commodity risks for certain commodities such as steel for fabricated items and structures and construction materials such as cement, Tor steel and Structural Steel for civil work.

The Company manages the commodity risks by a number of methods including Rate Contracts with suppliers, back to back offers from suppliers prior to booking customer's orders, bulk purchases, using global sourcing options and hedging wherever available.

(h) Details of utilization of fund raised through preferential allotment or qualified institution placement as specified under Regulation 32 (7A):

Nil

(i) A Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority:

All the Directors of the Company have submitted declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of Companies.

A compliance certificate from Mr. Pramod Kothari, Practicing Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is enclosed as **Annexure –II**.

(j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

Nil

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	**M/s. Isgec Heavy Engineering Limited**	**M/s. Saraswati Sugar Mills Limited**	**Total**
Statutory Audit Fee	15,00,000.00	4,00,000.00	19,00,000.00
In other capacity	7,48,756.00	-	7,48,756.00
Reimbursement of Expenses	3,33,863.00	80,020.62	4,13,883.62
Total	**25,82,619.00**	**4,80,020.62**	**30,62,639.62**

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) Number of complaints filed during the financial year 2018-19: NIL

b) Number of complaints disposed of during the financial year 2018-19: NIL

c) Number of complaints pending as on end of financial year 2018-19: NIL

11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Nil

12. Discretionary requirement complied with as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Company has appointed separate persons to the posts of chairman and managing director as follows:-

(a) Mr. Ranjit Puri : Chairman

(b) Mr. Aditya Puri : Managing Director

13. Disclosures of the compliance with corporate governance requirement specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All disclosures which are applicable are complied with by the Company.

As required under para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare that all the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management during the year ended March 31, 2019.

Aditya Puri

Managing Director

(DIN: 00052534)

Dated : May 29, 2019

ANNEXURE-I

List of all Credit Rating obtained by the entity alongwith any revisions thereto during the relevant financial year

Amount (₹ in crore)

ICRA Ltd. communication letter	Date	Status of rating	Fund Based Bank Limits		Non Fund Based Bank Limits		Fund Based / Non Fund Based Bank Limits		Unallocated Bank Limits		Total rated amount
			Amount	Rating Assigned	Amount	Rating Assigned	Amount	Rating Assigned	Amount	Rating Assigned	
DEL/RAT/2017-18/S-83/2	09/11/2017	Continuing rating from previous year	300.00	[ICRA]AA (Stable)	2451.10	[ICRA]A1+	150.00	[ICRA]AA (Stable)	300.00	[ICRA]AA (Stable)	3201.10
					98.90	[ICRA]AA (Stable)					98.90
DEL/RAT/2018-19/S-83/2	12/11/2018	Revision	380.00	[ICRA]AA (Stable)	2126.10	[ICRA]A1+	695.00	[ICRA]AA (Stable)	1000.00	[ICRA]AA (Stable)/ [ICRA] A1+	4201.10
					98.90	[ICRA]AA (Stable)					98.90
DEL/RAT/2018-19/S-83/3	28/12/2018	Revision	380.00	[ICRA]AA (Stable)	2126.10	[ICRA]A1+	795.00	[ICRA]AA (Stable)	900.00	[ICRA]AA (Stable)/ [ICRA] A1+	4201.10
					98.90	[ICRA]AA (Stable)					98.90
DEL/RAT/2018-19/S-83/5	29/03/2019	Revision	380.00	[ICRA]AA (Stable)	2126.10	[ICRA]A1+	995.00	[ICRA]AA (Stable)	700.00	[ICRA]AA (Stable)/ [ICRA] A1+	4201.10
					98.90	[ICRA]AA (Stable)					98.90

ANNEXURE-II

To,

Board of Directors

Isgec Heavy Engineering Limited

Radaur Road, Yamuna Nagar,

Haryana - 135001

Subject: Certificate under Schedule V Part C, Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s)

We, Pramod Kothari & Co., Practicing Company Secretaries have examined the information and records as provided by the Isgec Heavy Engineering Limited (**"The Company"**) for the purpose of certificate under Schedule V Part C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and be and is hereby certify that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.

For Pramod Kothari & Co.
Company Secretaries

Dated: 11/04/2019 Pramod Kothari
Place: Noida Proprietor- CP 11532

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Isgec Heavy Engineering Ltd.

We, SCV & Co LLP, Chartered Accountants, the Statutory Auditors of Isgec Heavy Engineering Ltd ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2019.

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 SCV & Co. LLP
Chartered Accountants
Firm Reg. No: 000235N/N500089

Abhinav Khosla
Partner
Membership No.: 087010

Place: Noida
Date: May 29, 2019

Form AOC-1

Annexure-6

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

The disclosure under first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in lakhs)

Part " A" : Subsidiaries

2018-19

	Description										
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment Co. Limited***
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	18/09/2018
3	Reporting Period	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019	Year Ended March 31, 2019
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	2,501.55
6	Reserves & surplus	45.55	109.99	20,750.36	0.85	780.27	3,679.81	240.11	241.59	(39.09)	115.12
7	Total Assets	250.40	120.29	53,413.51	401.22	783.09	31,439.50	530.06	1,431.05	2,185.50	13,862.61
8	Total Liabilities	4.85	0.30	31,953.15	0.38	0.35	17,759.68	89.94	1,089.44	2,024.59	11,245.94
9	Investments	-	-	-	-	-	-	-	-	-	-
10	Turnover *	7.01	7.13	58,969.53	12.00	2.90	22,487.11	648.88	2,926.53	1,688.82	14,800.84
11	Profit/(Loss) before Taxation before OCI	(1.70)	6.57	1,495.03	(0.42)	2.30	319.62	191.64	220.39	(0.34)	308.97
12	Provision for Taxation										
	a. Current Tax	-	1.71	491.47	0.56	0.61	153.61	55.90	62.08	-	16.36
	b. Deferred Tax	(0.46)	-	66.63	0.21	-	(30.11)	(2.39)	0.44	(0.09)	-
13	Profit/(Loss) after Taxation	(1.23)	4.86	936.93	(1.18)	1.70	196.12	138.13	157.87	(0.25)	292.62
14	Other Comprehensive Income	-	-	(275.67)	-	-	8.01	0.55	-	-	-
15	Proposed Dividend**	-	-	355.00	-	-	150.00	50.00	50.00	-	-
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%

2017-18

	Description									
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017
3	Reporting Period	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00
6	Reserves & surplus	46.78	105.13	20,089.10	2.03	778.57	3,772.82	101.43	83.72	(38.84)
7	Total Assets	253.16	116.30	39,837.80	402.27	781.41	23,462.61	403.54	756.28	399.11
8	Total Liabilities	6.38	1.16	19,038.71	0.24	0.37	9,689.80	102.11	572.56	237.95
9	Investments	-	-	522.45	-	-	-	-	-	-
10	Turnover *	6.81	7.91	81,907.43	12.11	2.87	44,193.77	632.52	1,473.66	156.77
11	Profit/(Loss) before Taxation before OCI	(11.96)	7.53	7,109.58	5.63	2.41	3,311.74	132.91	117.31	(52.88)
12	Provision for Taxation									
	a. Current Tax	-	2.94	2,431.03	2.18	0.63	1,154.85	38.33	33.12	-
	b. Deferred Tax	(2.52)	-	(316.21)	0.21	-	27.01	(1.36)	0.23	(14.18)
13	Profit/(Loss) after Taxation	(9.44)	4.60	4,994.76	3.24	1.79	2,129.88	95.94	83.96	(38.70)
14	Other Comprehensive Income	-	-	(260.99)	-	-	40.45	0.11	-	-
15	Proposed Dividend**	-	-	1,104.03	-	-	250.00	-	-	-
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%

* Includes Other Income

** Includes interim dividend paid during the year

*** Reporting currency is canadian dollar and exchange rate as on the last day of relevant financial year is ₹ 51.83.

Notes :

1. Names of subsidiaries which have been liquidated or sold during the year : Nil

Part " B": Associates and Joint Ventures- Isgec Hitachi Zosen Ltd., Isgec Foster Wheeler Boilers Private Ltd., Isgec Titan Metal Fabricators Private Ltd. and Isgec Redecam Enviro Solutions Private Ltd. are also Joint venture companies.

ANNEXURE-7

STATEMENT OF INFORMATION TO BE FURNISHED PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT 2013 AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014)

(i)	**the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**	1)	Mr. Aditya Puri (Managing Director)	236
		2)	Mrs. Nina Puri (Whole Time Director)	236
(ii)	**the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**	1)	Mr. Aditya Puri (Managing Director)	41%
		2)	Mrs. Nina Puri (Whole Time Director)	41%
		3)	Mr. S K Khorana (Company Secretary)	2%
		4)	Mr. Kishore Chatnani (Chief Financial Officer)	12%

The ratio of remuneration of each director to the median remuneration of the employees and percentage increase in remuneration of each director:

Independent Directors do not receive any remuneration other than sitting fees for attending Board and Committee meetings. Details of sitting fees paid to independent Directors are given in the report on Corporate Governance forming part of Annual Report and hence, are not included in the above table. The Non-Independent Directors do not receive any sitting fees.

(iii)	**the percentage increase in the median remuneration of employees in the financial year;**	5.57%
(iv)	**the number of permanent employees on the rolls of Company;**	2,978 as on 31st March 2019 (2,818 as on 31st March, 2018)
(v)	**average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**	The average increase in salaries of employees other than managerial personnel in 2018-19 was 6.05%. Percentage increase in Managerial Remuneration for the year is 41%. Managerial Remuneration has increased due to higher commission in line with increase in profit of the Company.
(vi)	**affirmation that the remuneration is as per the remuneration policy of the Company**	Remuneration is paid as per the remuneration policy of the company

ANNEXURE-8

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
ISGEC Heavy Engineering Limited
(CIN: L23423HR1933PLC000097)
Radaur Road Yamuna Nagar Haryana - 135001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of ISGEC Heavy Engineering Limited (**"The Company"**) for the year ended 31st March, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, minute books, forms and returns filed and other records maintained by the Company and also the information and representations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, minute books, forms and returns filed and other records made available to us and maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of:

(a) The Companies Act, 2013 (the Act) and the rules made there under.

(b) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;

(c) The Depositories Act, 1996 and the regulations and bye-laws framed there under;

(d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign direct investment, overseas direct investment and external commercial borrowing;

(e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(g) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(j) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(k) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013;

(l) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors. The changes in the composition of the Board of Directors/Committees that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.

Decisions at the Board Meetings were taken unanimously and there is no dissent from directors during the audit period.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

a) The company has sub divided each equity share of the nominal value of ₹ 10/- each into 10 equity shares of ₹ 1/- each fully paid up and complied with the applicable provisions of laws.

b) The company has altered its capital clause of the Memorandum of Association as under and complied with the applicable provisions of laws.

The Share capital of the company is ₹ 8,50,00,000 divided into 8,50,00,000 Equity Shares of ₹ 1/- each with power for the company to increase or reduced the said capital and to issue any part of its capital, original or increase with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of the issue shall otherwise expressly declare, every issue of shares; whether declare to be preference or otherwise shall be subject to the power hereinbefore contained.

For Pramod Kothari & Co.
Company Secretaries

Pramod Kothari
(Proprietor)
Membership No. FCS 7091 C.P. 11532

Place: Noida
Date: May 11, 2019

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L23423HR1933PLC000097.
2. **Name of the Company :** ISGEC HEAVY ENGINEERING LIMITED.
3. **Registered address :** RADAUR ROAD, YAMUNANAGAR – 135001, HARYANA (INDIA).
4. **Website :** www.isgec.com
5. **E-mail id :** roynr@isgec.com
6. **Financial Year reported :** Year ended 31.03.2019
7. **Sector(s) that the Company is engaged in (industrial activity code-wise) :**

Code *	Sector
352	Boilers, Steam Generating Plants.
353	Industrial Machinery for Food Industry.
354	Industrial Machinery for other than Food and Textile Industries.
357	Machine Tools.

*As per NIC 1987 Classification.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

   (1) Turnkey Projects for Boilers, Sugar Plants and Power Plants and material handling systems.

   (2) Pressure Vessels, Columns, Reactors and Heat Exchangers.

   (3) Mechanical and Hydraulic Presses.

9. **Total number of locations where business activity is undertaken by the Company:**

   (a) Number of International Locations (Provide details of major 5):

   The Company has a network of marketing agents spread across many countries.

   (b) Number of National Locations :

   Isgec Heavy Engineering Limited has its Registered Office in Yamunanagar, Haryana. The Company owns manufacturing units located at Yamunanagar, and Bawal in Haryana, Muzaffarnagar in Uttar Pradesh and Dahej in Gujarat.

   The Company's project businesses are located at Noida in Uttar Pradesh.

   The Company's Design Offices are located in Noida, Chennai and Pune and it has Marketing Branch Offices in Chennai, Kolkata, Mumbai and Pune.

10. **Markets served by the Company – Local/State/National/International :** All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	**Paid up Capital (₹ in lakhs)**	:	735.29
2.	**Total Turnover (₹ in lakhs)**	:	4,16,581.48
3.	**Total profit after taxes (₹ in lakhs)**	:	12,831.74
	Total Comprehensive income (₹ in lakhs)	:	**12,849.96**

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 2%

5. **List of activities in which expenditure in 4 above has been incurred:-**

   a) Contribution to Prime Minister's Relief Fund

   b) Kerala Flood Relief fund through Chief Minister's Distress Relief Fund

   c) Promoting education by construction, renovation and development of buildings in schools and provision of furniture and Teaching aids and equipment

   d) Repairing of Roads and Beautification

   e) Promotion of Sports by contribution to Sports Association and bodies

   f) Rural Development – laying water pipelines

   g) Promoting employment by enhancing vocational skills

   h) Promoting Health Care and Preventive Health Care

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies? :** Yes.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :** Company encourages its subsidiaries to participate in its group-wide BR initiatives.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%] :** No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   (a) **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

   1. DIN Number : 00052534
   2. Name : Mr. Aditya Puri
   3. Designation : Managing Director

   (b) **Details of the BR head**

No.	Particulars	Details
1	**DIN Number (if applicable)**	00052534
2	**Name**	Mr. Aditya Puri
3	**Designation**	Managing Director
4	**Telephone number**	0120-4085402
5	**e-mail id**	apuri@isgec.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

P1	Business should conduct and govern themselves with ethics, transparency and accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	**Do you have a policy/ policies for.**	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	**Has the policy being formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	**Does the policy conform to any national / international standards? If yes, specify? (50 words)**	Company is ISO 9001 certified. Our policy conforms to all standards specified in ISO 9001. Further Company is ISO 14000 certified for environment. Company has OHSAS 18001 for Occupational Health & Safety Management System. Company also complies with Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable laws & Regulations.								
4	**Has the policy being approved by the Board?** **If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?**	Mandatory Policies under the Indian Laws and Regulations have been adopted by the Board and signed by the Managing Director. Other Policies are approved by the Management and signed by various Authorized Officers.								
5	**Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**	The implementations of Policies are reviewed by the Management and also by the Internal Audit Department.								
6	**Indicate the link for the policy to be viewed online?**	The mandatory Policies such as CSR Policy, Code of Conduct, Vigil Mechanism, Policy on related party transactions and Code of Practices and Procedures for fair disclosure of Un-published Price Sensitive Information (UPSI) are available on the Company's website www.isgec.com. Other Policies such as Environment, Health, and Safety Policy, Quality Policy and Employee related Policies are available on Company's Internal Network or circulated to the concerned.								

7	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Yes.
8	**Does the Company have in-house structure to implement the policy/ policies.**	Yes
9	**Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholder's grievances related to the policy/ policies?**	Yes.
10	**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**	The Quality, Safety and Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated internally.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - NOT APPLICABLE

No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	**The Company has not understood the Principles.**	NOT APPLICABLE								
2	**The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.**	NOT APPLICABLE								
3	**The Company does not have financial or manpower resources available for the task.**	NOT APPLICABLE								
4	**It is planned to be done within next 6 months.**	NOT APPLICABLE								
5	**It is planned to be done within the next 1 year.**	NOT APPLICABLE								
6	**Any other reason (please specify)**	NOT APPLICABLE								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Managing Director reviews various aspects of the policy on an ongoing basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is published as part of the Annual Report and is available on our website www.isgec.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

   No.

   Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   This covers all group and Joint Venture Companies.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   A few shareholder complaints were received during the year. All were satisfactorily resolved.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   1 Boilers & Power Plant
   2 Sugar Plant
   3 Air pollution control equipment

   The Company has all quality and inspection systems in place to ensure all goods and services provided by the Company are safe and sustainable throughout their life cycle.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   As the figures are difficult to collect, and optional, data is not being given.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   The Company makes efforts to engage with suppliers for developing them to improve their business and quality with the support of its Vendor Development Programmes.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company strives to procure increased quantum of goods and services from vendors located near to its Plants and Project Business Offices. The Company has dedicated Vendor Development Department and Quality Teams which work to improve capabilities of vendors.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company tries to save cost by using/recycling waste materials such as scrap generated during manufacturing and project construction. It sells such wastes/scrap to industries who can gainfully utilize it. The Company also consumes metallic scrap in the manufacturing operations of it's Iron Foundry and Steel Casting Unit.

Principle 3

1. **Please indicate the total number of employees:**

   Total number of employees as on 31st March 2019 were 3357.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:**

   Out of the total employees 379 were on contractual basis.

3. **Please indicate the number of permanent women employees:**

   The number of permanent women employees as on 31st March 2019 was 40.

4. **Please indicate the number of permanent employees with disabilities:**

   Number of permanent employees with disabilities as on 31st March 2019 were 2.

5. **Do you have an employee association that is recognized by management:**

   Yes, Trade Union (Permanent Workers) at the Manufacturing Plants at Yamunanagar and Muzaffarnagar.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   23.37% of permanent employees are member of the recognized employee association.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

No.	**Category**	**No of complaints filed during the financial year**	**No of complaints pending as on end of the financial year**
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   (a) Permanent Employees :
   (b) Permanent Women Employees :
   (c) Casual/Temporary/Contractual Employees :
   (d) Employees with Disabilities :
   41.55%

   4 persons (visually impaired) working on Contractual Role.

Principle 4

1. **Has the Company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, in the category of Employees, Supplier of Goods and services.- Physically Challenged employees and small vendors and contractors.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company respects the interest of all stakeholders and gives equal opportunity to the disadvantaged based on health, gender or caste. The Company provides training to weaker employees on regular basis. Small vendors are supported by help in technology upgradation and quality assurance skills. Further, small vendors and contractors, if needed financial assistance in the form of advance is given.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The policy covers the Company and Subsidiary Companies. The Company respects and promotes human rights, with formal policies in place.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaint was received by the Company on Human rights issue.

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

   It extends to the Subsidiary Companies also.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Company's products and services are designed to better the legal environment norms set by the Government in relation to Emission, Water and energy efficiency. Company is also ISO 14000 certified by Lloyds for environment management systems.

3. **Does the Company identify and assess potential environmental risks?**

   Company is alive to the possibility of environmental risk due to discharge of waste water. Company and it's subsidiaries ensure waste water treatment, recycling and reuse.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No please.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes – Company gets periodic energy audits done. Company's Green Energy Boiler division manufactures and supplies equipment for generation of energy using biomass and green waste. Company has also installed 800 KW roof top solar power plant at its Yamunanagar factory and 700 KW at Ratangarh factory.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   NIL.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   a. Confederation of Indian Industry.

   b. PHD Chamber of Commerce and Industry.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies):**

   No.

Principle 8

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Company has regular spending on CSR projects. Details are given in CSR report given in Board's Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   In-house team as well as external organizations.

3. **Have you done any impact assessment of your initiative?**

   Company has been advised that impact is good.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   The Company spent a sum of ₹ 445.88 lakhs on Corporate Social Responsibility. Details are given in the CSR Report given in Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Our CSR implementation team visits schools and other institutions where we have CSR activities to ensure that resources provided by us are well utilized.

Principle 9

What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There are no consumer cases. The Company receives minor technical complaints from customer forum time to time. The Company has a Policy to attend all customer complaints promptly.

1. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information):**

   Not Applicable.

2. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so:**

   There was no case filed for unfair trade practice, irresponsible advertising or anti competitive behaviour over the last 5 years.

3. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Company periodically carries out customer satisfaction surveys. No survey was done during the current year.

DIVIDEND DISTRIBUTION POLICY

The Board of Directors in its meeting held on March 30, 2017 has adopted this Dividend Distribution Policy containing following parameters, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

(a) Circumstances under which the shareholders of the listed entities may or may not expect dividend:

(i) The dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. The shareholders may expect dividend unless there is a loss or inadequate profit. The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue paying dividends in future as well, quantum of which shall be decided by the Board considering the available distributable profits.

(ii) The shareholders would, therefore, expect the dividend unless, as explained below, there are circumstances in which the shareholders may not expect dividend due to various internal as well as external factors. The internal factors are requirement of funds due to nature of high value projects executed by the Company, financial constraints, retention by the customers against performance warranties, contingent liabilities, investment for up-gradation, replacement and modernization of Plant and Equipments, investment required in subsidiary companies and for acquisition and diversification of businesses and technologies.

(iii) The external factors which may affect the decision regarding declaration of dividend are cyclical nature of Industry to which the Company caters to, rates of interest, foreign exchange fluctuations, economic policies of the Government, particularly affecting capital goods industry.

(b) Financial parameters that shall be considered while declaring dividend:

The financial parameters for consideration of dividend are:-

- Profits earned during the financial year;
- Distributable surplus after transfer to Reserves in the opinion of the Board and as required under the Act and Regulations from time to time;
- The Company's liquidity position and future cash flow needs as mentioned in paragraph (a);
- Present and future capital requirements of the Company; and
- Stipulations/Covenants of agreements for loans/bank facilities.

(c) Internal and external factors that shall be considered for declaration of dividend:

As explained in paragraph (a).

(d) Policy as to how the retained earnings shall be utilized:

- To meet the Working Capital/Business needs of the Company;
- Issue of fully paid-up Bonus shares;
- Declaration of Dividend- Interim or Final;
- Buyback of shares subject to applicable limits;
- Any other permitted use.

(e) Parameters that shall be adopted with regard to various classes of shares:

The Company currently has only one class of shares, viz. equity, for which this Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Isgec Heavy Engineering Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 41(c) to the Standalone Ind AS financial statements which describes the nature and expected outcome with respect to the ongoing litigation regarding Bio refinery project in Philippines. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition for construction contracts** The Company's significant portion of business is undertaken through construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, "Revenue from Contracts with Customers". Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs. The determination of revenues and margin relating to construction contracts depends on total cost at completion estimated by the management. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development during the progress of projects. This method involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts. Refer note 2.4 to the Standalone Ind AS Financial Statements.	**Principal Audit Procedures** In the context of our work, the procedures set up in terms of contribution to revenues of construction contracts consisted of: • Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. • Performing test of controls over revenue recognition with specific focus on controls over determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations. • Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and verified the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts. • Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required. • Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the Standalone Ind AS financial statements.

Information other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibility for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, which forms a part of this report, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books.

(c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration for the year ended March 31, 2019 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

3. As required by Rule 11 of the Companies (Audit and Auditors) Rules, 2014 issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Act, in our opinion and to the best of our information and according to the explanation given to us:

(a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer note 41 to the Standalone Ind AS financial statement.

(b) The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No: 000235N/ N500089

(Abhinav Khosla)
Partner
Membership No. 087010

Place: Noida
Date: May 29, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Standalone Ind AS financial statements for the year ended 31st March 2019, we report that:

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

(b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

ii. Physical verification has been carried out by the Management in respect of inventory at reasonable intervals during the year. In our opinion the frequency of verification is reasonable. According to the information and explanations given to us, discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been dealt with in the books of account.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans to parties covered under Section 185 of the Companies Act, 2013. Further, Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit. Therefore, directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employee’s State Insurance, Goods and Service Tax, Income-tax, Sales-tax, Service tax, Value Added Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, goods and service tax or value added tax which have not been deposited on account of any dispute except as given under:

Name of the Statute	Nature of Dues	Disputed Amount (₹ in lakhs)	Period to which it relates	Forum where Dispute is pending
Central Excise Act	Excise Duty	5	1994-95	Hon'ble High Court, Allahabad
		8	1994-96	Tribunal New Delhi
		3.57	2012-13	Assistant Commissioner, Panchkula.
		0.33	2015-16	Superintendent, Central Excise Yamuna Nagar.
		15.07	2016-17	Superintendent, Central Excise Yamuna Nagar.
Sales Tax Act	Sales Tax	9.02	1993-94	Sales Tax Tribunal, Orissa
		17	1995-96	Sales Tax Tribunal, Orissa
		5	1996-97	Sales Tax Tribunal, Orissa
		6	1971-73	Commissioner Sales Tax, Lucknow
		8.09	2009-14	Joint Commissioner of Sales Tax
		4	1987-88	Dy Comm. of Commercial Taxes (appeals), Kolkata
		34	1995-96	Dy Comm. of Commercial Taxes (appeals), Kolkata
		61	1994-95	Dy Comm. of Commercial Taxes (appeals), Kolkata
		0.82	2006-07	Dy Comm. Of Commercial Taxes, Tamil Nadu.
		3,503.52	2008-12	Additional Commissioner Appeals, UP
		3.26	2014-15	Dy Comm. Of Commercial Taxes, Kerala.
		0.58	2016-17	Dy Comm. Of Commercial Taxes, Kerala.
		7.43	2015-16	Excise & Tax Officer, Punjab
		89.19	2013-14	Additional Commissioner Grade-2 (Appeal), Muzaffarnagar
		59.32	2009-10	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
		0.37	2010-11	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
		21.67	2013-14	Dy. Commissioner of Sales Tax, Mumbai
Custom Act	Custom Act	3.28	2017-18	Principal Commissionerate of Customs

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank or government. The Company does not have any debenture holders.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Hence reporting under clause 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of records of Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act , 2013.

xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013. Further the details of the transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review . Therefore the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv. According to information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of paragraph 3 (xvi) of the Order are not applicable to the Company.

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No: 000235N/ N500089

(Abhinav Khosla)
Partner
Membership No. 087010

Place: Noida
Date: May 29, 2019

ANNEDURE-B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Isgec Heavy Engineering Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No: 000235N/ N500089

(Abhinav Khosla)
Partner
Membership No. 087010

Place: Noida
Date: May 29, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	**46,916.23**	41,046.86
(b) Capital work - in - progress		**1,122.69**	2,927.52
(c) Intangible assets	4	**3,831.77**	4,501.06
(d) Financial assets			
(i) Investments	5	**16,924.52**	14,281.47
(ii) Trade receivables	6	**4,331.99**	3,548.97
(iii) Loans	7	**1,106.37**	1,165.01
(iv) Other financial assets	8	**1,422.76**	102.70
(e) Deferred tax assets (net)	22	**637.87**	192.23
(f) Other non - current assets	9	**412.89**	908.12
Total non-current assets		**76,707.09**	68,673.94
(2) Current assets			
(a) Inventories	10	**61,113.31**	46,609.98
(b) Financial assets			
(i) Investments	11	**15,545.87**	36,600.53
(ii) Trade receivables	12	**180,380.92**	110,772.84
(iii) Cash and cash equivalents	13	**7,596.69**	16,585.78
(iv) Bank balances other than (iii) above	14	**1,609.10**	4,114.28
(v) Loans	15	**1,952.94**	1,969.54
(vi) Other financial assets	16	**1,794.91**	1,296.00
(c) Other current assets	17	**79,454.00**	46,256.02
Total current assets		**349,447.74**	264,204.97
Total Assets		**426,154.83**	332,878.91
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	18	**735.29**	735.29
(b) Other Equity	19	**133,981.96**	121,549.01
Total equity		**134,717.25**	122,284.30
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	20	**148.93**	134.15
(b) Provisions	21	**6,051.19**	4,792.99
(c) Other non-current liabilities	23	**25,446.11**	25,343.92
Total Non-current Liabilities		**31,646.23**	30,271.06
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**7,470.57**	8,227.15
(ii) Trade payables	25		
a) Total outstanding dues of micro enterprises and small enterprises		**984.08**	20.46
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**128,016.77**	102,504.52
(iii) Other financial liabilities	26	**7,522.43**	6,417.31
(b) Other current liabilities	27	**105,553.36**	49,097.58
(c) Provisions	28	**9,637.53**	13,306.84
(d) Current tax liabilities (net)	29	**606.61**	749.69
Total current liabilities		**259,791.35**	180,323.55
Total Equity & Liabilities		**426,154.83**	332,878.91

The accompanying notes from 1 to 53 form an integral part of the financial statements

As per our report of even date.

for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No. 087010

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 29, 2019

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	30	**412,892.10**	261,536.55
II	Other income	31	**3,689.38**	7,234.12
III	**Total income (I + II)**		**416,581.48**	268,770.67
IV	**Expenses**			
	Cost of materials consumed	32	**71,770.21**	53,498.97
	Excise duty		**-**	1,554.97
	Purchase of stock-in-trade	33	**180,260.79**	72,762.77
	Erection & commissioning expenses		**45,284.94**	32,412.43
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	**(10,997.49)**	(2,680.44)
	Employee benefits expense	35	**29,277.61**	27,780.74
	Finance costs	36	**1,531.37**	711.89
	Depreciation and amortization expense	37	**6,592.82**	6,715.23
	Other expenses	38	**72,553.65**	59,220.75
	Total expenses (IV)		**396,273.90**	251,977.31
V	**Profit before tax (III - IV)**		**20,307.58**	16,793.36
VI	Tax expense	39		
	(1) Current tax		**7,931.27**	5,576.99
	(2) Deferred tax		**(455.43)**	(681.63)
	Total tax expenses		**7,475.84**	4,895.36
VII	**Profit for the year (V - VI)**		**12,831.74**	11,898.00
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment benefit obligations		**28.01**	177.45
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(9.79)**	(62.01)
	Total other comprehensive income		**18.22**	115.44
IX	**Total comprehensive income (VII + VIII)**		**12,849.96**	12,013.44
X	**Earnings per equity share (nominal value of ₹ 1/- each)**	40		
	Basic (₹)		**17.45**	16.18
	Diluted (₹)		**17.45**	16.18

The accompanying notes from 1 to 53 form an integral part of the financial statements

As per our report of even date.

for S C V & Co. LLP
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Firm Regn. No.000235N / N500089

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No. 087010

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 29, 2019

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from operating activities**		
	Profit before tax	**20,307.58**	**16,793.36**
	Adjustments for :		
	Depreciation and amortisation of property, plant and equipment	6,592.82	6,715.23
	(Gain) / Loss on disposal of property, plant and equipment	317.59	(78.69)
	Liability no longer required written back	(1,200.23)	(608.82)
	Adjustment of expected credit loss	1,112.43	-
	Finance Income	(833.20)	(1,442.54)
	Finance costs	1,531.37	711.89
	Income from investment - Dividends	(129.34)	(2,311.98)
	Change in fair value of financial instrument (investment)	(824.50)	(1,928.57)
	Adjustment due to discounting in warranty provision	95.59	(295.37)
	Operating profit before working capital adjustments	**26,970.11**	**17,554.51**
	Working capital adjustments		
	(Increase) /Decrease in trade receivables	(71,503.53)	(2,742.10)
	(Increase) /Decrease in other receivables	(32,003.36)	(5,308.54)
	(Increase) /Decrease in inventories	(14,503.33)	(6,162.16)
	Increase /(Decrease) in trade and other payables	85,381.55	(7,382.74)
	Increase /(Decrease) in payables and provisions	(2,478.69)	(2,209.94)
	Cash generated from operations	**(8,137.25)**	**(6,250.97)**
	Income Tax paid (net of refund)	(8,074.35)	(5,057.33)
	Net cash from operating activities	**(16,211.60)**	**(11,308.30)**
B	**Cash flow from investing activities**		
	Proceeds from sale of property, plant and equipment	44.35	253.95
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(10,350.01)	(7,393.09)
	Sale /(Purchase) of equity shares / mutual funds	19,236.11	34,173.69
	Interest received	895.26	1,635.58
	Dividend received	129.34	2,311.98
	Net cash flow from / (used in) investing activities	**9,955.05**	**30,982.11**

(₹ in lakhs)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
C	**Cash flow from financing activities**		
	Dividend paid on equity shares	(409.33)	(2,245.74)
	Dividend Tax paid	(49.36)	-
	Finance cost	(1,517.27)	(724.46)
	Repayment of borrowings	(756.58)	(2,729.08)
	Net cash flow from / (used in) financing activities	**(2,732.54)**	**(5,699.28)**
	Net increase in cash and cash equivalents (A+B+C)	**(8,989.09)**	**13,974.53**
	Cash and cash equivalents at the begining of the year	**16,585.78**	**2,611.25**
	Cash and cash equivalents at the end of the year	7,596.69	16,585.78
	Components of cash and cash equivalents		
	Cash, Cheques & Drafts on hand	35.30	40.76
	Balance with Scheduled Banks	4,953.80	1,845.02
	Bank term deposits	2,607.59	14,700.00
	Cash and cash equivalents	7,596.69	16,585.78

Notes:

1 The above cash flow statement has been prepared under the indirect method setout in Indian Accounting Standard (Ind AS) 7.

2 Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Short-term borrowing
Opening balance as on April 1, 2018	8,227.15
Non-cash changes due to	
- Interest expense	-
- Others	-
Cash flows during the year	(756.58)
Closing balance as on March 31, 2019	**7,470.57**

3 Figures in brackets indicate cash outgo.

As per our report of even date.
for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No. 087010
Place : Noida
Dated : May 29, 2019

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(₹ in lakhs)

As at April 1, 2017	Changes during the year	As at March 31, 2018	Changes during the year	As at March 31, 2019
735.29	-	735.29	-	735.29

B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus					Items of other comprehensive income (remeasurement of post employment benefit obligation)	Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 1, 2017	0.01	450.22	3.24	17,439.54	93,957.84	(35.90)	111,814.95
Profit for the year	-	-	-	-	11,898.00	-	11,898.00
Other comprehensive income	-	-	-	-	-	115.44	115.44
Dividend paid for the year ended March, 2017 (including dividend distribution tax)	-	-	-	-	(1,102.91)	-	(1,102.91)
Interim dividend paid (including dividend distribution tax)	-	-	-	-	(1,176.47)	-	(1,176.47)
Balance as at March 31, 2018	0.01	450.22	3.24	17,439.54	1,03,576.46	79.54	121,549.01
Profit for the year	-	-	-	-	12,831.74	-	12,831.74
Other comprehensive income	-	-	-	-	-	18.22	18.22
Interim dividend paid (including dividend distribution tax)	-	-	-	-	(417.01)	-	(417.01)
Balance as at March 31, 2019	**0.01**	**450.22**	**3.24**	**17,439.54**	**115,991.19**	**97.76**	**133,981.96**

As per our report of even date.

for S C V & Co. LLP
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Firm Regn. No.000235N / N500089

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Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Notes to the Standalone Financial Statements

1. Corporate Information

Isgec Heavy Engineering Limited (the "Company") is a public limited company incorporated and domiciled in India, whose shares are listed on the Bombay Stock Exchange (BSE). The registered office of the Company is situated at Radaur Road, Yamunanagar-135001, Haryana, India.

The Company is a Heavy Engineering Company having two segments i.e. manufacturing of machinery & equipment and engineering, procurement & construction. Manufacture of machinery & equipment comprise manufacture of process plant equipments, mechanical and hydraulic presses, alloy steel, ferrous castings, boiler tubes & panels and containers. Engineering, procurement & construction comprise contract manufacturing and execution of projects for setting up boilers, sugar plants, power plants, material handling equipments and air pollution control equipment for customers in India and abroad.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation and Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis (except certain Financial Instruments which are measured at fair value), the provisions of the Companies Act, 2013 (`Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. The financial statements were authorized for issue by the Company's Board of Directors on 29th May 2019.

2.2 Use of Estimates

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

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in financial statements are included in the following notes:

Note 35: Provision for employee benefits

Note 21.1& 21.2: Provision for warranty

Notes to the Standalone Financial Statements

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

2.4 Revenue Recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Sale of products

Revenue from the sale of products are recognised when control of the goods has passed to the buyer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sale is net of sales returns, discounts and goods & services tax.

Notes to the Standalone Financial Statements

Revenue is measured at the transaction price. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue from Construction Contracts

Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognise revenue on the basis of costs incurred to date compared to total estimated contract costs.

Contract costs comprise of costs that directly relate to specific contract, costs that are attributable to contract activity in general and can be allocated to contract and such other costs as are specifically chargeable to the customer under the terms of contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The difference between the cumulative amount of revenues recognized and intermediary billing is measured. If this difference is positive, it is recognized under an asset. If this difference is negative, it is recognized as a liability.

Other Income

(i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR). Effective Interest Rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) 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.

Rental Income

Rental income from operating leases is recognized on straight line basis over lease term.

Dividend

Revenue from Dividend is recognized when the Company's right to receive payment is established.

2.5 Inventories

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

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost includes cost of direct materials and applicable direct manufacturing and administrative overheads but exclude borrowing costs. Cost is determined on weighted average basis.

Notes to the Standalone Financial Statements

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

Traded Goods includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

2.6 Property, Plant & Equipment

Recognition

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

Cost includes its purchase price (including import duties and non-refundable purchase taxes), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

De-recognition

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

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

2.7 Intangible Assets

An Intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and the cost of the asset can be measured reliably.

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

Notes to the Standalone Financial Statements

The cost of an intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

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

2.8 Depreciation and Amortization

Depreciation is provided on Property, Plant & Equipment in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method except in respect of certain Plant & Machinery which are depreciated as per straight line method. 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 method.

Leasehold land is amortised on the straight line basis over the period of lease term.

Leasehold improvements are written off over the shorter of its useful life or over the period of lease.

2.9 Impairment of Non-Financial Assets

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

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

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

2.10 Employee Benefits

(i) Provident Fund

The Company operates a provident fund trust for its employees where contributions are deposited and is recognized as an expense on the basis of services rendered by the employees which is a defined contribution plan in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Notes to the Standalone Financial Statements

(ii) Gratuity

The Company operates a Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance policies with the Life Insurance Corporation of India for all the employees. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan.

The liability determined by actuarial valuation using projected credit method is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

(iii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company treats the accumulated leave as short term employee benefits and accordingly, any gains and losses on actuarial valuation are recognised as expense in the statement of profit and loss.

(iv) Retirement Benefits

National Pension Scheme Contributions towards pension is made to various funds such benefit are classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contributions made on the monthly/yearly basis.

(v) Pension

Liability on account of pension payable to employees covered under Company's erstwhile Pension scheme (since discontinued) has been accounted for on accrual basis.

(vi) Superannuation Benefit

The Company makes contribution to superannuation fund, for the employees who have opted for this scheme, which is a post employment benefit in the nature of a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(vii) Other Short Term Benefits

Expense in respect of other short term benefits is recognized in Statement of Profit and Loss, on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.11 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Notes to the Standalone Financial Statements

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under leases, 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.

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognized in the statement of Profit and Loss on straight line basis over the lease term.

2.12 Taxes

Current income tax

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

Deferred Tax

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Notes to the Standalone Financial Statements

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

Deferred tax relating to items recognized in Other Comprehensive Income is recognized Other Comprehensive Income.

2.13 Borrowing Cost

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

2.14 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognized because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

2.15 Cash dividend to equity holders

The Company recognized a liability to make cash distribution to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Notes to the Standalone Financial Statements

2.16 Earning Per Share

Basic earning per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

2.17 Financial instruments

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

Initial recognition

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

Subsequent measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

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

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

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

Notes to the Standalone Financial Statements

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

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

(iv) Financial liabilities

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

B. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Derecognition

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

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Notes to the Standalone Financial Statements

Reclassification of financial assets

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

2.18 Cash and cash equivalents

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

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

2.19 Investment in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

2.20 Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

2.21 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to expenses are deducted in reporting the related expense.

2.22 Foreign currencies

i. Initial recognition

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

Notes to the Standalone Financial Statements

ii. Conversion

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

iii. Exchange differences

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.23 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability or

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

2.24 Recent Accounting Pronouncements

As set out below, amendments to standards are effective for annual periods beginning on or after April 1, 2019, and have not been applied in preparing these financial statements.

IND AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the under lying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or “after April 1, 2019.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate at the date of initial application OR
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company is evaluating the requirements of the new standard and its impact, if any, on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Notes to the Standalone Financial Statements

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is evaluating the requirements of the amendment and its impact, if any, on the financial statements.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

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

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

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

The amendments require an entity:

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

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

Notes to the Standalone Financial Statements

Note 3 : Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value								
As at April 1, 2017	9,615.87	2,785.85	21,420.30	46,103.80	1,787.84	1,511.51	4,343.80	87,568.97
Additions	65.26	-	377.95	3,141.33	168.42	306.24	135.47	4,194.67
Disposals	-	-	13.85	561.93	35.46	410.23	48.91	1,070.38
As at March 31, 2018	9,681.13	2,785.85	21,784.40	48,683.20	1,920.80	1,407.52	4,430.36	90,693.26
Additions	104.26	-	4,270.24	6,269.61	86.20	307.53	587.57	11,625.41
Disposals	-	-	385.64	298.08	4.72	85.56	98.90	872.90
As at March 31, 2019	**9,785.39**	**2,785.85**	**25,669.00**	**54,654.73**	**2,002.28**	**1,629.49**	**4,919.03**	**101,445.77**
Accumulated depreciation								
As at April 1, 2017	-	715.59	9,576.42	29,020.60	1,094.73	967.83	3,548.36	44,923.53
Charge for the year	-	72.83	1,120.87	3,474.56	511.63	188.35	249.75	5,617.99
Disposals	-	-	8.91	514.97	31.49	294.45	45.30	895.12
As at March 31, 2018	-	788.42	10,688.38	31,980.19	1,574.87	861.73	3,752.81	49,646.40
Charge for the year	-	72.89	1,171.18	3,467.26	86.24	206.84	389.69	5,394.10
Disposals	-	-	90.44	265.83	3.71	63.47	87.51	510.96
As at March 31, 2019	**-**	**861.31**	**11,769.12**	**35,181.62**	**1,657.40**	**1,005.10**	**4,054.99**	**54,529.54**
Net carrying value								
As at March 31, 2018	9,681.13	1,997.43	11,096.02	16,703.01	345.93	545.79	677.55	41,046.86
As at March 31, 2019	**9,785.39**	**1,924.54**	**13,899.88**	**19,473.11**	**344.88**	**624.39**	**864.04**	**46,916.23**

Notes:

(i) Contractual commitment towards purchase of property, plant and equipment, refer note - 43.

(ii) Borrowing cost capitalized during the year is nil.

(iii) A part of leasehold land, building and plant situated at Dahej, Gujarat has been leased out to group company Isgec Hitachi Zosen Limited for operation of its business.

The details of the assets lease out is given below:

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Gross carrying value	**13,590.19**	13,590.77
Accumulated depreciation	**10,121.73**	9,523.66
Net carrying value	**3,468.46**	4,067.11

Notes to the Standalone Financial Statements

Note 4 : Intangible assets

(₹ in lakhs)

Particulars	Software	Technical know how	Total
Gross carrying value			
As at April 1, 2017	2,848.07	6,582.77	9,430.84
Additions	41.63	1,764.87	1,806.50
Disposals	-	-	-
As at March 31, 2018	2,889.70	8,347.64	11,237.34
Additions	217.07	312.36	529.43
Disposals	-	-	-
As at March 31, 2019	**3,106.77**	**8,660.00**	**11,766.77**
Accumulated amortisation			
As at April 1, 2017	1,793.20	3,845.84	5,639.04
Charge for the year	379.98	717.26	1,097.24
Disposals	-	-	-
As at March 31, 2018	2,173.18	4,563.10	6,736.28
Charge for the year	341.38	857.34	1,198.72
Disposals	-	-	-
As at March 31, 2019	**2,514.56**	**5,420.44**	**7,935.00**
Net Carrying Value			
As at March 31, 2018	716.52	3,784.54	4,501.06
As at March 31, 2019	**592.21**	**3,239.56**	**3,831.77**

Notes to the Standalone Financial Statements

Note 5 : Non-current financial assets - Investments

Particulars	As at March 31, 2019			As at March 31, 2018		
	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)
Investment						
Equity instruments (at cost)						
a) Subsidiary companies fully paid up (unquoted)						
Isgec Covema Limited	**10**	**2,000,000**	**200.00**	10	2,000,000	200.00
Isgec Exports Limited	**10**	**100,000**	**10.00**	10	100,000	10.00
Isgec Engineering & Projects Limited	**10**	**4,000,000**	**400.00**	10	4,000,000	400.00
Freelook Software Private Limited	**10**	**24,650**	**1,306.45**	10	24,650	1,306.45
Saraswati Sugar Mills Limited	**10**	**7,099,900**	**7,009.99**	10	7,099,900	7,009.99
Isgec Hitachi Zosen Limited	**10**	**51,000,000**	**5,100.00**	10	51,000,000	5,100.00
Isgec Foster Wheeler Boilers Private Limited	**10**	**1,020,000**	**102.00**	10	1,020,000	102.00
Isgec Titan Metal Fabricators Private Limited	**10**	**510,000**	**51.00**	10	510,000	51.00
Isgec Redecam Enviro Solutions Private Limited	**10**	**1,020,000**	**102.00**	10	1,020,000	102.00
Eagle Press & Equipment Co. Limited, Canada		**4,500,000**	**2,643.05**	-	-	-
			16,924.49			14,281.44
b) Others						
SVC Co-operative Bank Limited	**25**	**100**	**0.03**	25	100	0.03
Total (a+b)			**16,924.52**			14,281.47
Aggregate amount of quoted investments			**-**			-
Aggregate amount of unquoted investments			**16,924.52**			14,281.47
Aggregate amount of impairment in value of investments			**-**			-

Note 6 : Non-current financial assets - Trade receivables **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	**-**	-
Trade receivables considered good - unsecured	**4,331.99**	3,548.97
Trade receivables which have significant increase in credit risk	**-**	-
Trade receivables - credit impaired	**-**	-
Allowance for credit losses	**-**	-
Total	**4,331.99**	3,548.97

Notes to the Standalone Financial Statements

Note 7 : Non-current financial assets - Loans **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans receivables considered good - secured		
- Loans to employees	**273.04**	318.42
Loans receivables considered good - unsecured		
- Security deposit*	**737.42**	763.53
- Loans to employees	**95.91**	83.06
Total	**1,106.37**	1,165.01

* includes balances with related parties (refer note 47)

Note 8 : Non-current financial assets - Others **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Fixed deposits with banks having maturity of more than twelve months	**-**	102.70
Fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve months	**1,370.00**	-
Interest accrued but not due on deposits	**52.76**	-
Total	**1,422.76**	102.70

Note 9 : Other non-current assets **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	**193.46**	898.56
Prepaid expenses	**219.43**	9.56
Total	**412.89**	908.12

Note 10 : Inventories (lower of cost or net realisable value) **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials		
Raw materials	**17,046.75**	15,640.31
Raw materials in transit	**535.53**	593.36
Work - in - progress		
Engineering goods	**33,213.95**	22,823.75
Ingots and steel castings	**3,390.56**	2,783.27
Stock-in-trade		
Goods in transit	**3,813.16**	1,734.85
Goods at warehouse	**166.65**	-
Stores and spares	**2,888.73**	2,990.26
Loose tools	**57.98**	44.18
Total	**61,113.31**	46,609.98

Notes to the Standalone Financial Statements

Note 11 : Current financial assets - Investments

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares/ units	**Amount (₹ in lakhs)**	No. of Shares/ units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in equity instruments				
-Quoted				
Reliance Industries Limited	-	-	1,408	12.43
Reliance Power Limited	-	-	872	0.32
Shares held under equity portfolio management service (refer note 11.1)		-		266.94
		-		279.69
b) Investments in bonds & debentures				
-Quoted				
Canara Bank - 9.55% BD Perpetual	50	500.00	50	500.00
Citicorp Finance (India) Limited NCD Series-604 (Tranche 7)	-	-	500	553.10
Citicorp Finance (India) Limited NCD Series-604 (Tranche 8)	500	661.85	500	572.60
Reliance Capital Limited NCD Series B/406	1,000	1,166.80	1,000	1,074.40
Citicorp Finance (India) Limited NCD Series-629	-	-	2,500	2,676.75
Citicorp Finance (India) Limited NCD Series-632	-	-	2,500	2,681.75
8.22% Daimler Financial Bonds	-	-	54	550.90
7.55% DHFL Bonds	40	412.46	40	410.23
7.80% HDFC Bonds	-	-	1	102.80
7.92% IHFLIN Bonds	-	-	23	234.41
8.38% LIC HF Bonds	-	-	4	41.36
		2,741.11		9,398.30
c) Investments in mutual funds				
-Unquoted				
Aditya Birla Sun Life Short Term Fund -Growth-Direct Plan	-	-	3,234,779	2,161.50
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	5,000,000	578.22	5,000,000	537.07
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	5,000,000	579.55	5,000,000	538.46
DHFL Pramerica Banking and PSU Debt Fund - Direct Plan - Growth	-	-	7,035,911	1,080.12
DHFL Pramerica Fixed Duration Fund - Series AB - Direct Plan - Growth	50,000	580.80	50,000	547.94
DHFL Pramerica Fixed Duration Fund - Series AE - Direct Plan - Growth	50,000	579.02	50,000	537.34
DSP BlackRock Short Term Fund - Direct Plan - Growth	-	-	1,795,184	548.71
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	-	-	5,845,213	870.55
HDFC Banking and PSU Debt Fund- Direct Growth Option	-	-	12,719,500	1,804.72
HDFC Medium Term Opportunity Fund-Direct Plan-Growth Option	-	-	7,747,479	1,503.61
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	8,000,000	925.38	8,000,000	860.15
IDFC Corporate Bond Fund Direct Plan-Growth	-	-	2,000,000	239.41
Reliance Dynamic Bond Fund-Direct Growth Plan	-	-	2,148,730	515.62

Notes to the Standalone Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan	-	-	5,000,000	649.44
Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan	-	-	5,000,000	651.77
Reliance Fixed Horizon Fund-XXX-Series 17-Direct Growth Plan	**5,000,000**	**631.60**	5,000,000	588.06
Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan	**5,000,000**	**637.96**	5,000,000	593.13
Reliance Liquid Fund-Cash Plan-Growth Option-Growth Plan	-	-	54,796	1,476.70
Reliance Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	**10,000,000**	**1,174.10**	10,000,000	1,090.64
SBI Dual Advantage Fund-Series XI-Regular-Growth	-	-	1,000,000	118.60
SBI Dual Advantage Fund-Series XII-Regular-Growth	**1,000,000**	**125.37**	1,000,000	119.11
SBI Debt Fund Series-B-34 (1131 Days)-Direct Growth	**10,000,000**	**1,263.71**	10,000,000	1,177.52
SBI Dual Advantage Fund-Series XV-Regular-Growth	**2,000,000**	**241.43**	2,000,000	229.08
SBI Premier Liquid Fund - Regular Plan - Growth	**65,232**	**1,902.37**	55,329	1,502.51
SBI Short Term Debt Fund - Regular Plan - Growth	-	-	10,074,606	2,017.55
SBI Dual Advantage Fund-Series XIX-Regular-Growth	**1,000,000**	**112.04**	1,000,000	107.53
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	**5,000,000**	**575.76**	5,000,000	535.81
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	**5,000,000**	**577.08**	5,000,000	536.65
		10,484.39		23,139.30
d) Other investments				
-Unquoted				
ASK Real Estate Special Opportunities Fund		**419.14**		240.00
Reliance Yield Maximiser Fund		**141.95**		272.53
Edelweiss Alpha Fund		-		231.57
India Whizdom Fund		**112.18**		111.35
Edelweiss Real Estate Opportunities Fund (EROF)		**120.94**		95.00
IDFC Score Fund		**171.16**		107.45
Indiabulls High Yield Fund		**202.38**		196.88
DSP Blackrock India Enhanced Equity Fund		-		219.20
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		**195.86**		200.00
ASK Real Estate Special Situations Fund		**83.49**		40.00
Indiabulls Dual Advantage Commercial Asset Fund		**379.44**		249.80
Reliance Yield Maximiser Scheme-III		**493.83**		519.46
		2,320.37		2,483.24
e) Deposits				
-Unquoted				
Bajaj Finance Limited		-		300.00
PNB Housing Finance Limited		-		1,000.00
		-		1,300.00
Total current investments (a + b + c + d + e)		**15,545.87**		36,600.53
Aggregate value of investments :				
Aggregate amount of quoted investments		**2,741.11**		9,677.99
Market value of quoted investments		**2,741.11**		9,677.99
Aggregate amount of unquoted investments		**12,804.76**		26,922.54
Aggregate amount of impairment in value of investments		-		-

Notes to the Standalone Financial Statements

Note 11.1 : Details of shares held under equity portfolio management service with "ASK Investment Managers Pvt. Ltd."

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
Asian Paints Limited	-	-	1,184	13.27
Bajaj Finance Limited	-	-	1,066	18.87
Bajaj Finserv Limited	-	-	343	17.76
Divi's Laboratories Limited	-	-	1,085	11.82
Eicher Motors Limited	-	-	51	14.45
Gruh Finance Limited	-	-	3,497	20.18
HDFC Bank Limited	-	-	993	18.78
Hindustan Petroleum Corporation Limited	-	-	4,150	14.28
Indusind Bank Limited	-	-	925	16.61
Kajaria Ceramics Limited	-	-	1,920	10.89
M R F Limited	-	-	24	17.35
Maruti Suzuki India Limited	-	-	186	16.49
MAX Financial Services Limited	-	-	1,509	6.85
Motherson Sumi Systems Limited	-	-	5,328	16.61
National Building Construction Corporation Limited	-	-	5,096	9.70
P I Industries Limited	-	-	1,579	14.02
Page Industries Limited	-	-	73	16.56
Ramco Cements Limited	-	-	1,698	12.45
		-		266.94

Note 12 : Current financial assets - Trade receivables **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured *	**180,380.92**	110,772.84
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	**1,684.32**	581.36
Allowance for expected credit losses	**(1,684.32)**	(581.36)
Total	**180,380.92**	110,772.84

* includes balances with related parties (refer note 47)

Notes to the Standalone Financial Statements

Note 13 : Current financial assets - Cash & cash equivalents **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- In current accounts	**4,953.80**	1,845.02
- In fixed deposits accounts with original maturity of less than three months	**2,607.59**	14,700.00
Cheques, drafts on hand	**14.41**	3.00
Cash on hand	**20.89**	37.76
Total	**7,596.69**	16,585.78

Note 14 : Current financial assets - Other bank balances **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks:		
- In fixed deposits accounts maturing within one year	**697.70**	3,501.05
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	**784.50**	444.65
Earmarked - unclaimed dividend accounts	**126.90**	168.58
Total	**1,609.10**	4,114.28

Note 15 : Current financial assets - Loans **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans receivables considered good - secured		
Loans to employees	**100.07**	79.71
Security deposits	**23.68**	50.91
Interest accrued on security deposits	**9.97**	11.61
Loans receivables considered good - unsecured		
Advances to employees	**753.87**	793.66
Security deposits	**1,034.28**	972.45
Other loans	**18.70**	47.29
Interest accrued on security deposits	**12.37**	13.91
Total	**1,952.94**	1,969.54

Notes to the Standalone Financial Statements

Note 16 : Current financial assets - Others **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Forward contract assets	**1,678.35**	1,117.38
Others		
Interest accrued on fixed deposits	**116.56**	178.62
Total	**1,794.91**	1,296.00

Note 17 : Other current assets **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
Advances to suppliers*	**60,706.54**	36,227.23
Others		
Unbilled revenue	**9,004.40**	3,069.59
Prepaid expenses	**1,168.14**	607.98
Balance with government authorities	**5,448.07**	4,898.67
Group gratuity fund (refer note 35)	**45.48**	-
Export incentive receivable	**2,547.84**	1,100.04
Others	**533.53**	352.51
Total	**79,454.00**	46,256.02

* includes balances with related parties (refer note 47)

Note 18 : Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
Authorised share capital (Equity shares of ₹ 1/- each with voting rights)* (Previous year Equity shares of ₹ 10/- each with voting rights)	**85,000,000**	**850.00**	8,500,000	850.00
Issued, subscribed & paid up (Equity shares of ₹ 1/-each fully paid up with voting rights)* (Previous year Equity shares of ₹ 10/- each with voting rights)	**73,529,510**	**735.29**	7,352,951	735.29
Total	**73,529,510**	**735.29**	7,352,951	735.29

* During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Notes to the Standalone Financial Statements

Notes:

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

The Company has only one class of equity shares having a par value of ₹ 1 per share (previous year ₹ 10 per share). Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity share holders.

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	No. of Shares	**Amount (₹ in lakhs)**	No. of Shares	Amount (₹ in lakhs)
Equity shares outstanding at the beginning of the Year	**7,352,951**	**735.29**	7,352,951	735.29
Add: Issued during the year	**-**	**-**	-	-
Less: Shares bought back	**-**	**-**	-	-
Sub division of shares (from ₹ 10 to ₹ 1 per equity share) during the year*	**66,176,559**	**-**	-	-
Equity shares outstanding at the end of the year	**73,529,510**	**735.29**	7,352,951	735.29

* During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

(c) Detail of shares held by each shareholder holding more than 5% of total number of equity shares:

Class of shares/name of the shareholders:	**As at March 31, 2019**		As at March 31, 2018	
	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) The Yamuna Syndicate Limited	**32,965,260**	**44.83%**	3,296,526	44.83%
(ii) Mr. Ranjit Puri	**6,592,010**	**8.97%**	659,201	8.97%
(iii) Mr. Aditya Puri	**4,568,080**	**6.21%**	456,808	6.21%
(iv) Mr. Ranjan Tandon	**2,339,000**	**3.18%**	438,900	5.97%

* During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Notes to the Standalone Financial Statements

Note 19 : Other equity **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Capital reserve		
Balance outstanding at the beginning of the year	**0.01**	0.01
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year	**0.01**	0.01
(b) Capital redemption reserve		
Balance outstanding at the beginning of the year	**3.24**	3.24
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year	**3.24**	3.24
(c) Securities premium		
Balance outstanding at the beginning of the year	**450.22**	450.22
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year	**450.22**	450.22
(d) General reserve		
Balance outstanding at the beginning of the year	**17,439.54**	17,439.54
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year	**17,439.54**	17,439.54
(e) Retained earnings		
Balance outstanding at the beginning of the year	**103,656.00**	93,921.94
Add: Net profit for the year	**12,831.74**	11,898.00
- Remeasurement of post employment benefit obligation (net of tax) (refer note 19.2)	**18.22**	115.44
Less: Appropriations		
- Dividend for the year ended March 31, 2018 @ ₹ NIL/- per share of ₹ 10 each (for the year ended March 31, 2017 @ ₹ 15/- per share of ₹ 10 each)	**-**	1,102.91
- Interim Dividend during the year ended March 31, 2019 @ ₹ 5/- per share of ₹ 10 each (during the year ended March 31, 2018 @ ₹ 16/- per share of ₹ 10 each)	**367.65**	1,176.47
- Dividend distribution tax	**49.36**	-
Balance outstanding at the end of the year	**116,088.95**	103,656.00
Total	**133,981.96**	121,549.01

Note 19.1 : During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Note 19.2 : This is item of other comprehensive income arising from remeasurement of defined benefit obligation net of income tax, which is directly recognised in retained earning.

Note 19.3 : Nature and purpose of reserves

Notes to the Standalone Financial Statements

Capital Reserve

400 equity shares of ₹ 1 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.

Capital Redemption Reserve

Capital redemption reserve of ₹ 1.58 lakhs was created against the redemption of cumulative preference shares in financial year 1991-92 and ₹ 1.66 lakhs against the buy back of equity shares in financial year 2013-14.

Securities Premium

Securities premium represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

General Reserve

This represents appropriation of profit after tax by the Company.

Retained Earnings

This comprise company's undistributed profit after taxes.

Note 20 : Non-current financial liabilities - Other financial liabilities **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Security deposit under car loan scheme	**143.13**	132.10
Security deposit - Others	**5.80**	2.05
Total	**148.93**	134.15

Note 21 : Long term provisions **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Provision for employee benefits		
-Leave encashment	**2,203.10**	1,993.54
-Pension provision	**944.93**	942.44
	3,148.03	2,935.98
Provision for warranty (refer note 21.1 & 21.2)	**2,903.16**	1,857.01
Total	**6,051.19**	4,792.99

Note 21.1 : Provision for warranty

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Notes to the Standalone Financial Statements

Note 21.2 : Movement of provision for warranty **(₹ in lakhs)**

Nature of Provisions	Warranties	
	2018-19	2017-18
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	**14,766.23**	17,440.89
Additional provision made during the year	**4,349.53**	2,110.28
Amount used during the year	**(2,137.85)**	(2,203.27)
Amount reversed during the year	**(4,869.15)**	(2,286.30)
Adjustment due to discounting	**95.59**	(295.37)
Carrying amount at the end of the year	**12,204.35**	14,766.23
Break up of carrying amount at the end of the year		
Long term provisions	**2,903.16**	1,857.01
Short term provisions (refer note 28)	**9,301.19**	12,909.22

Note 22 : Deferred Tax

22.1 : The balance comprises temporary differences attributable to: **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Employee benefits deductible in future years	**1,217.58**	1,146.36
Property, plant and equipment	**(916.11)**	(1,114.74)
Provision for expected credit losses	**588.57**	203.15
Lease rent	**-**	16.54
Fair valuation of investments	**(250.13)**	(50.10)
Fair valuation of security deposits	**(2.04)**	(8.98)
Net deferred tax (liabilities) / assets	**637.87**	192.23

22.2 : Movement in deferred tax Liabilities/deferred tax assets **(₹ in lakhs)**

Particulars	Employee benefits deductible in future years	Property, plant and equipment	Provision for expected credit losses	Lease rent	Fair valuation of investments	Fair valuation of security deposits	Total
At March 31, 2017	**975.34**	**(1,415.52)**	**12.79**	**-**	**-**	**-**	**(427.39)**
(Charged)/credited:-							
-to profit & loss	233.03	300.78	190.36	16.54	(50.10)	(8.98)	681.63
-to other comprehensive income	(62.01)	-	-	-	-	-	(62.01)
At March 31, 2018	**1,146.36**	**(1,114.74)**	**203.15**	**16.54**	**(50.10)**	**(8.98)**	**192.23**
(Charged)/credited:-							
-to profit & loss	81.01	198.63	385.42	(16.54)	(200.03)	6.94	455.43
-to other comprehensive income	(9.79)	-	-	-	-	-	(9.79)
At March 31, 2019	**1,217.58**	**(916.11)**	**588.57**	**-**	**(250.13)**	**(2.04)**	**637.87**

Notes to the Standalone Financial Statements

Note 23 : Other non-current liabilities **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	**25,446.11**	25,296.58
Lease equalisation reserve	**-**	47.34
Total	**25,446.11**	25,343.92

Note 24 : Current financial liabilities - Borrowings **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand		
Secured		
From banks		
Cash credit accounts (refer note 24.1 and 24.2)	**1,270.57**	2,177.15
Packing credit loans from banks (refer note 24.1 and 24.3)		
In Indian rupees	**6,200.00**	6,050.00
Total	**7,470.57**	8,227.15

Note : 24.1 Secured by hypothecation of inventories and by a charge on book debts and other assets of the Company, in favor of working capital consortium bankers on pari passu basis.

Note : 24.2 Repayable on demand. Rates of interest varied from 8.70% to 11.40% during the above periods.

Note : 24.3 Average rate of interest on Packing Credit Loans from Banks:

Particulars	As at March 31, 2019	As at March 31, 2018
In Indian rupees	**8.32%**	7.62%

Note 25 : Current financial liabilities - Trade payables **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of Micro, Small and Medium Enterprises (refer note 25.1)	**984.08**	20.46
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises *	**128,016.77**	102,504.52
Total	**129,000.85**	102,524.98

* includes balances with related parties (refer note 47)

Notes to the Standalone Financial Statements

Note 25.1 : Trade payables to micro and small enterprises

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with the Company. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	**984.08**	20.46
- interest	**0.87**	-
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	0.01
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	**-**	-
(d) the amount of interest accrued and remaining unpaid at the end of the accounting year	**0.87**	-
(e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	**-**	-

Note 26 : Current financial liabilities - Other financial liabilities **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Unclaimed dividends	**126.90**	168.58
Interest accrued but not due on borrowings	**22.15**	8.05
Security deposits received	**115.83**	95.30
Payable to employees	**2,157.17**	1,727.58
Forward contract payable	**1,678.35**	1,117.38
Capital creditors	**258.82**	460.36
Managerial /directors remuneration payable	**2,444.73**	1,694.38
Expense payable	**582.82**	956.67
Other payables*	**135.66**	189.01
Total	**7,522.43**	6,417.31

* includes balances with related parties (refer note 47)

Notes to the Standalone Financial Statements

Note 27 : Other current liabilities **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	**75,052.74**	46,136.34
Unearned revenue	**26,309.39**	-
Statutory dues payable	**1,488.18**	1,249.12
Government grant	**87.29**	36.11
Others	**2,615.76**	1,676.01
Total	**105,553.36**	49,097.58

Note 28 : Short term provisions **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Leave encashment	**203.73**	179.67
- Gratuity (refer note 35)	**-**	53.05
- Pension provision	**132.61**	164.90
	336.34	397.62
Provision for warranty (refer note 21.1 & 21.2)	**9,301.19**	12,909.22
Total	**9,637.53**	13,306.84

Note 29 : Current tax liabilities (net) **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions for Income Tax	**8,241.06**	5,758.76
Less: Income Tax paid	**7,634.45**	5,009.07
Total	**606.61**	749.69

Note 30 : Revenue from operations **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (refer note 30.1)	**358,279.94**	216,780.45
Erection, commissioning and related services	**43,837.30**	29,342.78
Other operating revenue (refer note 30.2)	**10,774.86**	15,413.32
Total	**412,892.10**	261,536.55

Note 30.1

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period 1 April to 30 June 2017 during the previous year ended 31 March 2018 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

Notes to the Standalone Financial Statements

Note 30.2 : Other operating revenues **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Commission earned	**-**	43.37
Export incentives	**4,030.32**	2,223.59
Packing receipts	**78.95**	9.39
Unclaimed balances / liabilities no longer required written back	**1,200.23**	608.82
Foreign exchange fluctuations	**825.18**	8,644.83
Bad debt written off now realised	**6.58**	-
Sale of scrap and waste	**1,435.17**	897.30
Lease rent receipts {refer note 44 (B)}	**2,835.00**	2,835.00
Others	**363.43**	151.02
Total	**10,774.86**	15,413.32

Note 31 : Other income **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest income:		
On loans to subsidiary companies	**-**	249.71
On bank deposits	**432.89**	585.96
On other deposits and investments	**394.63**	598.99
On financial assets measured at amortised cost	**5.68**	7.88
Total	**833.20**	1,442.54
(b) Dividend income on equity investments :		
Subsidiary company		
- Saraswati Sugar Mills Limited	**-**	2,208.07
- Isgec Hitachi Zosen Limited	**127.50**	102.00
Other companies	**1.84**	1.91
Total	**129.34**	2,311.98
(c) Net gain on sale of investments	**1,638.26**	1,312.75
Total	**1,638.26**	1,312.75
(d) Other non operating income :		
Profit on sale of property, plant and equipment	**9.21**	111.82
Insurance claim receipts	**29.91**	48.74
Insurance claim receipts against property, plant & equipment	**2.42**	-
Gain on investments carried at fair value through profit or loss	**824.50**	1,928.57
Others	**222.54**	77.72
Total	**1,088.58**	2,166.85
Grand Total	**3,689.38**	7,234.12

Notes to the Standalone Financial Statements

Note 32 : Cost of materials consumed **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw material consumed (refer note 32.1)	**68,521.48**	49,416.48
Store consumed	**3,248.73**	4,082.49
Total	**71,770.21**	53,498.97

Note 32.1 : Details of raw materials and components consumed **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Iron and steel	**21,540.50**	12,161.56
Alloys	**2,423.77**	1,419.57
Components and M.S. scrap	**44,557.21**	35,835.35
Total	**68,521.48**	49,416.48

Note 33 : Purchase of stock-in-trade **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock-in-trade	**180,260.79**	72,762.77
Total	**180,260.79**	72,762.77

Note 34 : Changes in inventories of finished goods, stock - in - trade & work - in - progress **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Work - in - progress	**25,607.02**	22,926.58
Total	**25,607.02**	22,926.58
Closing stock		
Work - in - Progress	**36,604.51**	25,607.02
Total	**36,604.51**	25,607.02
Changes in inventory	**(10,997.49)**	(2,680.44)

Note 35 : Employee benefits expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries & wages	**26,633.08**	25,450.98
Contribution to provident & other funds	**2,159.20**	1,691.28
Staff welfare expenses	**485.33**	638.48
Total	**29,277.61**	27,780.74

Notes to the Standalone Financial Statements

Note 35.1 : Additional information as per Ind AS 19, employee benefits

(a) Defined contribution plan:

The Company has recognised, in the statement of profit and loss, expenses for the following defined contribution plans:

(₹ in lakhs)

Particulars	2018-19	2017-18
Provident fund	**1,359.36**	1,260.45
Employees state insurance	**26.08**	33.57
Superannuation fund	**51.38**	54.58
National pension scheme	**129.72**	117.55
Labour welfare fund	**3.08**	3.26
Total	**1,569.62**	1,469.41

(b) Defined Benefits Plan:

The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

The obligations are as under:-

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
i. Change in present value of obligation		
a. Present value of obligation at the beginning of the year	**5,874.39**	5,679.12
b. Interest cost	**455.27**	425.93
c. Current service cost	**514.94**	470.88
d. Benefits paid	**(502.94)**	(514.68)
e. Actuarial (gain) / loss	**(50.52)**	(186.87)
f. Present value of obligation at the end of the year	**6,291.14**	5,874.39
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	**5,821.33**	5,704.17
b. Expected interest income	**451.15**	427.81
c. Actuarial gain/(loss) for the year on asset	**(22.51)**	(9.42)
d. Contributions	**589.58**	221.87
e. Mortality, admin and FMC charges	**-**	(8.41)
f. Benefits paid	**(502.94)**	(514.68)
g. Fair value of plan assets at the end of the year	**6,336.61**	5,821.33
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	**6,336.61**	5,821.33
b. Present value of obligation at the end of the year	**6,291.14**	5,874.39
c. Amount recognised in the balance sheet	**45.48**	(53.05)
- Current	**45.48**	(53.05)

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
iv. Expenses recognised in the statement of profit & loss		
a. Current service cost	**514.94**	470.88
b. Interest cost	**455.27**	425.93
c. Expected return on plan assets	**(451.15)**	(427.81)
d. Expenses recognised in the profit & loss	**519.06**	469.00
v. Recognised in other comprehensive income for the year		
a. Net cumulative unrecognized actuarial gain/(loss) opening	**(396.24)**	(573.69)
b. Actuarial gain/(loss) for the year on present benefit obligation	**50.52**	186.87
c. Actuarial gain/(loss) for the year on assets	**(22.51)**	(9.42)
d. Unrecognized actuarial gain/(loss) at the end of the year	**(368.23)**	(396.24)
vi. Actuarial assumptions		
a. Discount rate (per annum)	**7.66%**	7.75%
b. Rate of escalation in salary (per annum)	**7.50%**	7.50%

(c) Amounts for the current and previous period in respect of gratuity are as follows: **(₹ in lakhs)**

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Defined benefit obligation	**6,291.14**	5,874.39
Plan assets	**6,336.61**	5,821.34
Surplus / (deficit)	**45.48**	(53.05)

(d) Maturity profile of defined benefit obligation **(₹ in lakhs)**

Particulars	Gratuity (Funded)	
	2018-19	2017-18
a. Within next twelve months	**881.92**	845.32
b. Between one to five years	**652.89**	468.12
c. Between five to ten years	**4,756.32**	4,560.95

(e) Sensitivity analysis of the defined benefit obligation **(₹ in lakhs)**

Particulars	Gratuity (Funded)	
	2018-19	2017-18
(a) Impact of the change in discount rate		
Present value of obligation at the end of the period	**6,291.14**	5,874.39
(i) Impact due to increase of 0.50%	**(267.30)**	(247.65)
(ii) Impact due to decrease of 0.50%	**289.89**	268.57
(b) Impact of the change in salary increase		
Present value of obligation at the end of the period	**6,291.14**	5,874.39
(i) Impact due to increase of 0.50%	**288.94**	267.92
(ii) Impact due to decrease of 0.50%	**(268.88)**	(249.32)

Notes to the Standalone Financial Statements

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

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

(f) Major category of plan asset (as percentage of total plan asset)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Fund managed by insurer	**100%**	100%

(g) Mortality rate

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

Note 36 : Finance costs **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest	**1,403.19**	571.17
Other borrowing costs	**128.18**	140.72
Total	**1,531.37**	711.89

Note 37 : Depreciation and amortization expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant & equipment	**5,394.10**	5,617.99
Amortization of intangible assets	**1,198.72**	1,097.24
Total	**6,592.82**	6,715.23

Note 38 : Other expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power & fuel	**2,766.77**	2,731.30
Other manufacturing expenses	**15,221.21**	14,518.67
Repairs & maintenance		
- Plant and machinery	**1,203.05**	958.51
- Building	**509.14**	359.32
- Others	**192.32**	604.52
Rent	**623.35**	594.67
Insurance	**608.14**	483.29
Rates and taxes	**146.80**	67.23
Commission to selling agents and others	**1,802.68**	1,753.85

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bank charges	**1,781.00**	1,085.31
Royalty	**2,067.78**	491.49
Electricity and water charges	**398.50**	397.79
Donation	**1.57**	2.00
Office and miscellaneous expenses	**7,272.46**	7,243.00
Legal and professional charges	**4,599.63**	820.27
Adjustment of expected credit loss	**1,112.43**	-
Payment to auditors		
- Statutory audit fees	**15.00**	11.05
- Other services including certification work	**7.49**	0.58
- For reimbursement of expenses	**3.34**	3.13
Packing, forwarding and transportation expenses	**16,965.40**	11,917.86
Design & technical expenses	**5,560.65**	6,580.64
Travelling expenses	**4,909.78**	4,739.60
Foreign exchange fluctuations	**1,405.34**	1,507.23
Managerial remuneration	**2,587.21**	1,835.05
Non executive directors' remuneration / sitting fee	**19.93**	11.65
Corporate social responsibility (CSR) expenses (refer note 38.1)	**445.88**	469.61
Loss on property, plant and equipment sold / written off	**326.80**	33.13
Total	**72,553.65**	59,220.75

Note 38.1 : Corporate social responsibility

a) Gross amount required to be spent by the Company during the year is ₹ 437.30 lakhs. The Company was required to spend the sum of ₹ 19.59 lakhs for the F.Y 2017-18 and ₹ 437.30 lakhs for the F.Y 2018-19 totalling to ₹ 456.89 lakhs. An amount of ₹ 445.88 lakhs has been spent. The balance amount of ₹ 11.01 lakhs will be spent in the next year.

b) Amount spent during the year on:

(₹ in lakhs)

Particulars	Spent	Yet to be spent
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	445.88	11.01

Note 39 : Tax expense

Income Tax Expenses (₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Current Tax		
Current tax on profit for the year	**7,931.27**	5,576.99
Adjustments for current tax of prior periods	-	-
Total Current Tax Expenses	**7,931.27**	5,576.99
(b) Deferred Tax		
Decrease/(Increase) in Deferred Tax Assets	**(449.89)**	(439.93)
(Decrease)/Increase in Deferred Tax Liabilities	**(5.54)**	(241.70)
Total Deferred Tax Expenses	**(455.43)**	(681.63)
Total Income Tax Expenses	**7,475.84**	4,895.36

Notes to the Standalone Financial Statements

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 34.944% and the reported tax expense in Statement of Profit and Loss are as follows:

(₹ in lakhs)

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Accounting profit before income tax	**20,307.58**	16,793.36
Statutory income tax rate of 34.944% (31st March 2018: 34.608%)	**7,096.28**	5,811.85
Additional deduction allowed in Income Tax Act for certain expenditure	**(42.33)**	(138.26)
Expenditure for which deduction is not allowed under Income Tax Act	**337.98**	236.00
Differential tax rate on fair value of investments	**653.48**	199.13
Differential tax rate on sale of investments	**(483.63)**	(384.00)
Tax on exempt income	**(69.39)**	(802.13)
Other deductions	**(16.55)**	(27.23)
Total	**7,475.84**	4,895.36

Note 40 : Earnings per share

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
a) Net profit / (loss) available to equity shareholders (₹ in lakhs)	**12,831.74**	11,898.00
b) Number of weighted average equity shares outstanding during the year for the purpose of calculation of earning per share	**73,529,510**	73,529,510
c) Nominal value of equity share (in ₹)	**1.00**	1.00
d) Basic earning per share (in ₹)	**17.45**	16.18
e) Diluted earning per share (in ₹)	**17.45**	16.18

Note:

During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Previous year earning per share (EPS) has been derived on nominal value of share ₹ 1 each.

Note 41 : Contingent liabilities **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Contingent liabilities: (to the extend not provided for)		
a) Claims against the Company not acknowledged as debts [including claims as per para (c)]	**41,463.50**	36,190.86
b) Bonds executed in favor of President of India against Export Promotion Capital Goods license and advance authorisation and others*	**18,320.29**	18,483.31
*includes bonds given on behalf of subsidiary company Isgec Hitachi Zosen Ltd.	**-**	2,972.00

Notes to the Standalone Financial Statements

c) The company is executing contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in the Philippines. During the construction there was a manifestation of a number of issues at the site that were outside of the Company's control. As a result, there were costs overrun and delay to the completion of the project past the contractual delivery date. The Company notified the customer that these risks were to their account under the contract. The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. On 30 January 2018, when the project was substantially complete, the customer wrongfully invoked the Bank Guarantees amounting to about 134 crores and terminated the contract, claiming damages.

The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per contract with the customer.

The legal advice is that the Company has good prospect of success in proving its claims against the customer and accordingly no provision has been made in the books of accounts.

Note 42 : Corporate guarantee **(₹ in lakhs)**

Particulars		**As at March 31, 2019**	As at March 31, 2018
a)	Corporate guarantees given on behalf of joint venture company Isgec Hitachi Zosen Limited to banks	**18,748.48**	20,035.71
b)	Corporate guarantees given on behalf of joint venture company Isgec Titan Metal Fabricators Private Limited to banks	**1,501.48**	833.83
c)	Corporate guarantees given on behalf of joint venture company Isgec Redecam Enviro Solutions Private Limited to banks	**436.50**	25.75

Note 43 : Commitments **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Capital Commitments Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	**1,363.69**	3,040.38

Note 44 : Leases

A. Company as a lessee

The Company has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

(₹ in lakhs)

Particulars		**Year ended March 31, 2019**	Year ended March 31, 2018
a)	Residential premises	**139.74**	197.06
b)	Commercial premises	**479.24**	393.02
c)	Plant and machinery	**4.37**	4.59
	Total	**623.35**	594.67

Notes to the Standalone Financial Statements

The Company has a non-cancellable lease of 36 months for office premises at Pune. The total of future minimum lease payment for each of the following periods is as under:

(₹ in lakhs)

Particulars	**Year 2019**	Year 2020
Minimum lease payment	**31.62**	21.08

B. Company as a Lessor

The Company has given on lease factory, land and plant and machinery under operating lease. In accordance with Indian Accounting Standard (Ind AS-17) 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 lakhs)

Particulars		**As at March 31, 2019**	As at March 31, 2018
(i)	Not later than one year	**2,894.30**	2,887.10
(ii)	Later than one year and not later than five years	**5,691.00**	8,509.20
(iii)	Later than five years	**10.08**	-
	Total	**8,595.38**	11,396.30

Note 45 : Segment Information

Effective from 1st April, 2018, Chief Operating Decision Maker (CODM) of the Company is monitoring the performance of the Company in the following Segments:-

a) Manufacturing of Machinery and Equipment Segment

b) Engineering, Procurement and Construction Segment

Composition of the Segments consists of:

Manufacturing of Machinery & Equipment Segment comprising manufacture of Process Plant Equipments, Presses, Castings, Boiler Tubes & Panels and Containers.

Engineering, Procurement and Construction Segment consists of Projects and Turnkey Solutions for Sugar Plants, Distilleries, Power Plants, Boilers, Air Pollution Control Equipments, Buildings and Factories.

The Segments reported are as per Ind AS 108 "Operating Segments" read with SEBI Circular dated 5th July, 2016. The identification of Operating Segments is consistent with performance assessment by the Management.

In respect of both these Segments for the Company, sales and margins do not accrue uniformly during the year.

1. Segment Revenue **(₹ in lakhs)**

Particulars	**2019**			2018		
	External	**Inter Segment**	**Total**	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	**90,732.62**	**29,529.80**	**120,262.42**	89,464.61	17,276.71	106,741.32
Engineering, Procurement and Construction	**322,142.67**	**-**	**322,142.67**	172,048.32	-	172,048.32
Unallocated	**16.81**	**-**	**16.81**	23.62	-	23.62
Elimination	**-**	**(29,529.80)**	**(29,529.80)**	-	(17,276.71)	(17,276.71)
Segment Total	**412,892.10**	**-**	**412,892.10**	261,536.55	-	261,536.55

Notes to the Standalone Financial Statements

2. Segment Result (Profit/(Loss) before interest and tax) **(₹ in lakhs)**

Particulars	**2019**	2018
Manufacturing of Machinery & Equipment	**13,169.52**	12,937.92
Engineering, Procurement and Construction	**11,660.07**	6,276.46
Unallocated	**(85.66)**	2,527.91
Operating Profit Before Interest and Tax	**24,743.93**	21,742.29
Less: Interest Expense	**(1,403.19)**	(571.17)
Inter Segment Interest	**(3,866.36)**	(5,820.30)
Add: Interest Income	**833.20**	1,442.54
Profit Before Tax	**20,307.58**	16,793.36
Tax Expense	**(7,475.84)**	(4,895.36)
Profit after tax	**12,831.74**	11,898.00

3. Segment Assets and Liabilities **(₹ in lakhs)**

Particulars	**Segment Assets**		**Segment Liabilities**	
	2019	2018	**2019**	2018
Manufacturing of Machinery & Equipment	**122,162.62**	107,155.62	**99,627.69**	89,656.20
Engineering, Procurement and Construction	**295,355.33**	224,836.94	**239,924.19**	170,146.06
Unallocated Corporate Assets	**67,081.71**	77,003.97	**10,330.53**	26,910.00
Total	**484,599.66**	408,996.53	**349,882.41**	286,712.26
Less: Inter Segment assets/liabilities	**(58,444.83)**	(76,117.62)	**(58,444.83)**	(76,117.65)
Total	**426,154.83**	332,878.91	**291,437.58**	210,594.61

4. Other Information **(₹ in lakhs)**

Particulars	**Capital Expenditure**		**Depreciation and Amortisation**	
	2019	2018	**2019**	2018
Manufacturing of Machinery & Equipment	**8,660.08**	5,662.75	**5,593.28**	5,509.79
Engineering, Procurement and Construction	**890.77**	613.62	**818.98**	1,073.75
Unallocated	**799.16**	1,116.72	**180.57**	131.69

5. Geographical Information

a) The Company is domiciled in India. The amount of its revenue is broken on the basis of location of customer.

(₹ in lakhs)

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Revenue from external customers		
- Within India	**300,501.66**	183,325.90
- Outside India	**112,390.44**	78,210.65
Total	**412,892.10**	261,536.55

Notes to the Standalone Financial Statements

b) Assets are allocated based on the operation and physical location of the assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets		
- Within India	**52,283.58**	49,367.75
- Outside India	**-**	15.81
Total	**52,283.58**	49,383.56

c) Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2019 - 1

Note 46 : Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

a. Disaggregated revenue information (₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Type of Services or goods		
Revenue from Manufacturing of Machinery & Equipment	**120,262.42**	106,741.32
Revenue from Engineering, Procurement and Construction	**292,612.87**	154,771.61
Others	**16.81**	23.62
Total revenue from sale of services or goods	**412,892.10**	**261,536.55**
Revenue from Contracts with Customers		
Revenue from Customers based in India	**300,501.66**	183,325.90
Revenue from Customers based outside India	**112,390.44**	78,210.65
Total Revenue from Contracts with Customers	**412,892.10**	261,536.55
Timing of Revenue Recognition		
Goods and services transferred over time	**292,612.87**	154,771.61
Goods and services transferred at a point in time	**120,279.23**	106,764.94
	412,892.10	261,536.55

b. Trade receivables and Contract Customers (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	**184,712.91**	114,321.81
Contract Assets	**9,004.40**	3,069.59
Contract Liabilities	**126,808.24**	71,432.92

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 1,684.32 lakhs was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

Notes to the Standalone Financial Statements

c. Set out below is the amount of revenue recognised from: **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amounts included in contract liabilities at the beginning of the year	**71,432.92**	50,822.09
Amount received against contract liability during the year	**181,842.25**	96,651.91
Performance obligations satisfied during the year	**126,466.93**	76,041.08
Amounts included in contract liabilities at the end of the year	**126,808.24**	71,432.92

d. Performance obligation and remaining performance obligation **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Disclosure of the entity's remaining performance obligations:		
(a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	**678,897.07**	498,472.16
(b) When the entity expects to recognise as revenue		
Within one year	**55.71%**	54.18%
Within two years	**39.36%**	36.39%
Within five years	**4.93%**	9.43%
Thereafter	**-**	-

Note 47 : Disclosures as required by Indian Accounting Standard (Ind AS) 24 related party disclosures

A. List of Related Party

S.no.	Name of the related party	Country of incorporation	% of Equity interest	
			As at March 31, 2019	As at March 31, 2018
(i)	**Holding Company**	None		
(ii)	**Subsidiaries**			
1	Saraswati Sugar Mills Limited	India	**100**	100
2	Isgec Covema Limited	India	**100**	100
3	Isgec Exports Limited	India	**100**	100
4	Isgec Engineering & Projects Limited	India	**100**	100
5	Freelook Software Private Limited	India	**100**	100
6	Eagle Press & Equipment Co. Limited	Cananda	**100**	NIL
7	Isgec Hitachi Zosen Limited	India	**51**	51
8	Isgec Foster Wheeler Boilers Private Limited	India	**51**	51
9	Isgec Titan Metal Fabricators Private Limited	India	**51**	51
10	Isgec Redecam Enviro Solutions Private Limited	India	**51**	51

Notes to the Standalone Financial Statements

S.no.	Name of the related party	Country of incorporation	% of Equity interest	
			As at March 31, 2019	As at March 31, 2018
(iii)	**Associates**	None		
(iv)	**Entities over which key management personnel can exercise significant influence**			
1	Yamuna Syndicate Ltd.			
2	Kamla Puri Charitable Trust			
3	Kamla Puri Charitable Foundation			
4	Blue Water Enterprises			
(v)	**Key Management Personnel**	**Designation**		
1	Mr. Aditya Puri	Managing Director		
2	Mrs. Nina Puri	Whole-time Director		
3	Mr. Ranjit Puri	Chairman		
4	Mr. Vinod Kumar Nagpal	Non Executive Director		
5	Mr. Tahir Hasan	Non Executive Director		
6	Mr. Arun Kathpalia	Non Executive Director		
7	Mr. Vinod Kumar Sachdeva	Non Executive Director		
8	Mr. Sidharth Prasad	Non Executive Director		
9	Mr. Vishal Kirti Keshav Marwaha	Non Executive Director		
10	Mrs. Shivani Hazari	Non Executive Director		
11	Mr. Sudershan Kumar Khorana	Company Secretary		
12	Mr. Kishore Chatnani	Chief Financial Officer		
(vi)	**Trust for post employment benefit**	**Principal place of operation / Country of incorporation**	**Principal Activities**	
1	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	India	Company's employee provident fund trust	
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
3	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
5	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	India	Company's employee gratuity trust	
6	Saraswati Industrial Syndicate Limited Superannuation Scheme	India	Company's employee superannuation trust	
7	Isgec John Thompson Staff Provident Fund	India	Company's employee provident fund trust	

Notes to the Standalone Financial Statements

B. The following transactions were carried out with the related parties in the ordinary course of business

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	2018-19	2017-18
1	**Purchase of goods**		
	—Subsidiaries		
	Saraswati Sugar Mills Limited	**3.36**	21.13
	Isgec Hitachi Zosen Limited	**899.66**	302.76
	Isgec Titan Metal Fabricators Pvt. Ltd.	**156.96**	2.36
	Isgec Redecam Enviro Solutions Pvt. Ltd.	**406.00**	24.30
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**80.99**	82.23
	Total	**1,546.97**	432.78
2	**Sale of goods**		
	– Subsidiaries		
	Saraswati Sugar Mills Limited	**168.80**	827.83
	Isgec Hitachi Zosen Limited	**43.96**	56.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	**3.36**	22.86
	Total	**216.12**	906.69
3	**Purchase of fixed Assets**		
	– Subsidiaries		
	Isgec Hitachi Zosen Limited	**10.61**	-
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**-**	2.58
	Total	**10.61**	2.58
4	**Sale of fixed assets**		
	- Subsidiary		
	Isgec Hitachi Zosen Limited	**-**	15.00
	Total	**-**	15.00
5	**Rendering of services**		
	– Subsidiaries		
	Saraswati Sugar Mills Limited	**101.04**	26.47
	Isgec Hitachi Zosen Limited	**330.46**	1,556.27
	Isgec Foster wheeler Boilers Pvt. Ltd.	**124.45**	293.75
	Isgec Titan Metal Fabricators Pvt. Ltd.	**325.72**	287.82
	Isgec Redecam Enviro Solutions Pvt. Ltd.	**109.28**	22.42
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**12.30**	11.61
	Total	**1,003.25**	2,198.34

Notes to the Standalone Financial Statements

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	2018-19	2017-18
6	**Services received**		
	- Susidiaries		
	Saraswati Sugar Mills Limited	**5.68**	6.56
	Isgec Hitachi Zosen Limited	**407.09**	446.24
	Isgec Foster wheeler Boilers Pvt. Ltd.	**11.72**	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	**50.55**	52.58
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**0.11**	0.15
	Total	**475.15**	505.53
7	**Rent received**		
	- Susidiaries		
	Isgec Hitachi Zosen Limited	**2,835.00**	2,835.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	**50.00**	23.45
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**1.67**	0.40
	Total	**2,886.67**	2,858.85
8	**Rent Paid**		
	-Subsidiaries		
	Isgec Engineering & Projects Limited	**8.64**	8.64
	– Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	**63.62**	73.38
	Total	**72.26**	82.02
9	**Interest Received**		
	-Subsidiary		
	Saraswati Sugar Mills Limited	**-**	249.71
	Total	**-**	249.71
10	**Loans given**		
	-Subsidiary		
	Saraswati Sugar Mills Limited	**-**	7,480.00
	Total	**-**	7,480.00
11	**Refund of loan**		
	-Subsidiary		
	Saraswati Sugar Mills Limited	**-**	14,750.00
	Total	**-**	14,750.00

Notes to the Standalone Financial Statements

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	2018-19	2017-18
12	**Key management personnel compensation***		
	Mr. Aditya Puri	**1,294.00**	917.92
	Mrs. Nina Puri	**1,294.00**	917.92
	Mr. Sudershan Kumar Khorana	**128.55**	126.07
	Mr. Kishore Chatnani	**88.00**	78.78
	Total	**2,804.55**	2,040.69
13	**Key management personnel remuneration / sitting fees**		
	Mr. Ranjit Puri	**2.95**	1.86
	Mr. Vinod Kumar Nagpal	**3.25**	1.93
	Mr. Tahir Hasan	**2.75**	1.52
	Mr. Arun Kathpalia	**1.65**	1.69
	Mr. Vinod Kumar Sachdeva	**3.05**	1.86
	Mr. Sidharth Prasad	**2.50**	1.27
	Mr. Vishal Kirti Keshav Marwaha	**2.75**	1.52
	Mrs. Shivani Hazari	**1.03**	-
	Total	**19.93**	11.65
14	**Contribution to trust for post employment benefit**		
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	**939.60**	847.10
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	**542.60**	156.38
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	**47.09**	50.31
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	**0.18**	0.17
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	**0.09**	0.08
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	**54.38**	57.58

* The post employment benefits exclude provision for gratuity and leave encashment which can not be separately identified from the composite amount as advised by the actuary.

Notes to the Standalone Financial Statements

C. Amount due to / from related parties **(₹ in lakhs)**

S.No	Nature of Transaction/Relationship	As at March 31, 2019	As at March 31, 2018
1	**Amount payable as at year end**		
	– Subsidiaries		
	Isgec Hitachi Zosen Limited	**31.56**	94.33
	Isgec Titan Metal Fabricators Pvt. Ltd.	**136.46**	2.36
	Isgec Redecam Enviro Solutions Pvt. Ltd.	**352.20**	23.81
	– Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**8.90**	0.73
	– Key management personnel		
	Mr. Aditya Puri (Managing Director)	**1,219.38**	844.75
	Mrs. Nina Puri (Wholetime Director)	**1,223.74**	847.94
	Mr. Ranjit Puri (Chairman)	**0.23**	0.23
	Mr. Vinod Kumar Nagpal	**0.23**	0.23
	Mr. Tahir Hasan	**0.23**	0.23
	Mr. Arun Kathpalia	**0.23**	0.23
	Mr. Vinod Kumar Sachdeva	**0.23**	0.23
	Mr. Sidharth Prasad	**0.23**	0.23
	Mr. Vishal Kirti Keshav Marwaha	**0.23**	0.23
	Mrs. Shivani Hazari	**0.03**	-
	Total	**2,973.88**	1,815.53
2	**Amount receivable as at year end**		
	– Subsidiaries		
	Saraswati Sugar Mills Limited	**215.28**	521.49
	Isgec Hitachi Zosen Limited	**298.91**	1,170.56
	Isgec Foster wheeler Boilers Pvt. Ltd.	**18.71**	43.32
	Isgec Titan Metal Fabricators Pvt. Ltd.	**146.81**	30.07
	Isgec Redecam Enviro Solutions Pvt. Ltd.	**317.32**	126.22
	-Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	**15.90**	10.11
	Total	**1,012.93**	1,901.77

Notes to the Standalone Financial Statements

(₹ in lakhs)

S.No	Nature of Transaction/Relationship	As at March 31, 2018	As at March 31, 2017
3	**Investment as at year end**		
	-Subsidiaries		
	Saraswati Sugar Mills Limited	**7,009.99**	7,009.99
	Isgec Covema Limited	**200.00**	200.00
	Isgec Exports Limited	**10.00**	10.00
	Isgec Engineering & Projects Limited	**400.00**	400.00
	Freelook Software Private Limited	**1,306.45**	1,306.45
	Eagle Press & Equipment Co. Limited	**2,643.05**	-
	Isgec Hitachi Zosen Limited	**5,100.00**	5,100.00
	Isgec Foster Wheeler Boilers Private Limited	**102.00**	102.00
	Isgec Titan Metal Fabricators Private Limited	**51.00**	51.00
	Isgec Redecam Enviro Solutions Private Limited	**102.00**	102.00
	Total	**16,924.49**	14,281.44

D. Terms and Conditions

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

Note 48 : Fair Value Measurement

Financial instruments by category (₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
Financial Assets						
Investments						
-Investments in equity instruments	-	-	-	-	279.69	-
-Investments in debentures or bonds	-	2,741.11	-	-	9,398.30	-
-Investments in mutual funds	-	10,484.39	-	-	23,139.30	-
-Other investments	-	2,320.37	-	-	3,783.24	-
Trade receivables - current	180,380.92	-	-	110,772.84	-	-
Trade receivables - non current	4,331.99	-	-	3,548.97	-	-
Loans	3,059.31	-	-	3,134.55	-	-
Cash and cash equivalents	7,596.69	-	-	16,585.78	-	-
Bank balances	1,609.10	-	-	4,114.28	-	-
Foreign currency forward contracts	-	1,678.35	-	-	1,117.38	-
Others financial assets	1,539.32	-	-	281.32	-	-
Total Financial Assets	198,517.33	17,224.22	-	138,437.74	37,717.91	-
Financial Liabilities						
Borrowings	7,470.57	-	-	8,227.15	-	-
Trade payables	129,000.85	-	-	102,524.98	-	-
Forward contracts	-	1,678.35	-	-	1,117.38	-
Other financial liabilities	5,993.01	-	-	5,434.08	-	-
Total Financial Liabilities	142,464.43	1,678.35	-	116,186.21	1,117.38	-

*** FVTPL - Fair Value Through Profit or Loss**
 # FVTOCI - Fair Value Through Other Comprehensive Income

Notes to the Standalone Financial Statements

(i) Fair Value Hierarchy

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

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

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

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

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

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

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2018	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets and liabilities at fair value through profit or loss				
Financial assets				
Investments				
- Investments in equity instruments	279.69	279.69	-	-
- Investments in debentures or bonds	9,398.30	-	9,398.30	-
- Investments in mutual funds	23,139.30	23,139.30	-	-
- Other investments	3,783.24	-	3,783.24	-
Foreign currency forward contracts	1,117.38	-	1,117.38	-
Total	37,717.91	23,418.99	14,298.92	-
Financial liabilities				
Forward contracts	1,117.38	-	1,117.38	-
Total	1,117.38	-	1,117.38	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018				
Financial assets				
Loan to employees	401.48	-	-	401.48
Security deposit	763.53	-	-	763.53
Total	1,165.01	-	-	1,165.01
Financial liabilities				
Borrowings	8,227.15	-	-	8,227.15
Trade payables	-	-	-	-
Other financial liabilities	134.15	-	-	134.15
Total	8,361.30	-	-	8,361.30

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2019	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets and liabilities at fair value through profit or loss				
Financial assets				
Investments				
- Investments in equity instruments	-	-	-	-
- Investments in debentures or bonds	2,741.11	-	2,741.11	-
- Investments in mutual funds	10,484.39	10,484.39	-	-
- Other investments	2,320.37	-	2,320.37	-
Foreign currency forward contracts	1,678.35	-	1,678.35	-
Total	17,224.22	10,484.39	6,739.83	-
Financial liabilities				
Forward contracts	1,678.35	-	1,678.35	-
Total	1,678.35	-	1,678.35	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019				
Financial assets				
Loan to employees	368.95	-	-	368.95
Security deposit	737.42	-	-	737.42
Total	1,106.37	-	-	1,106.37
Financial liabilities				
Borrowings	7,470.57	-	-	7,470.57
Trade payables	-	-	-	-
Other financial liabilities	148.93	-	-	148.93
Total	7,619.50	-	-	7,619.50

(ii) Valuation techniques used to determine fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

- the use of quoted market prices or dealer quotes for similar financial instruments.
- the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

Notes to the Standalone Financial Statements

The following method and assumptions are used to estimate fair values:

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowings fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

Note 49 : Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include investments in marketable securities, loans , trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Company's activities are expose to **Market risk, Credit risk and Liquidity risk**.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Variable rate borrowings	**1,270.57**	2,177.15
Fixed rate borrowings	**6,200.00**	6,050.00
Total	**7,470.57**	8,227.15

(ii) As at the end of reporting period, the Company had the following variable rate borrowings outstanding:

(₹ in lakhs)

Particulars	**As at March 31, 2019**			As at March 31, 2018		
	Weighted average interest rate (%)	**Balance**	**% of total borrowings**	Weighted average interest rate (%)	Balance	% of total borrowings
Loans repayable on demand (Cash Credit)	**10.14**	**1,270.57**	**17.01**	10.03	2,177.15	26.46
Net exposure to cash flow interest rate risk		**1,270.57**			2,177.15	

Notes to the Standalone Financial Statements

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
INR	**+50**	+50	**6.35**	10.89
	- 50	- 50	**-6.35**	-10.89

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and the Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk management policy approved by the Board.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

(₹ in lakhs)

Particulars	**Against exposure in**			
Foreign currency exposure as at March 31, 2019	**USD**	**Euro**	**Others**	**Total**
Trade receivables	54,356.43	2,233.39	8.96	56,598.78
Bank balances in current accounts and term deposits accounts	48.68	0.01	2.66	51.35
Trade payables	2,200.82	536.55	2.75	2,740.12
Hedged portion	52,114.51	2,768.87	2.75	54,886.13
Net exposure to foreign currency risk	4,491.43	1.07	11.62	4,504.12
Foreign currency exposure as at March 31, 2018	**USD**	**Euro**	**Others**	**Total**
Trade receivables	43,018.13	2,781.98	4.57	45,804.68
Bank balances in current accounts and term deposits accounts	334.31	0.01	2.46	336.78
Trade payables	1,589.69	228.64	-	1,818.33
Hedged portion	44,481.88	2,924.70	2.46	47,409.04
Net exposure to foreign currency risk	460.26	85.93	4.57	550.76

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

(₹ in lakhs)

Particulars	**2018-19**		2017-18	
	1% increase	**1% decrease**	1% increase	1% decrease
USD	**44.91**	**-44.91**	-0.32	0.32
Euro	**0.01**	**-0.01**	-0.82	0.82
Others	**0.12**	**-0.12**	0.05	-0.05

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Notes to the Standalone Financial Statements

(c) Price Risk

The Company's exposure to price risk arises from the investment held by the Company. To manage its price risk arising from investments in marketable securities, the Company diversifies its portfolio and is done in accordance with the Company policy. The Company's major investments are actively traded in markets and are held for short period of time. Therefore no sensitivity is provided for the same.

II. Credit risk

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

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

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.

(iv) Significant increase in credit risk and other financial instruments of the same counterparty.

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The Company's major exposure is from trade receivables, which are unsecured and contractually due from external customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period. Other loans are mainly provided mainly to the subsidiaries and to employees which have very minimal risk because of the nature of such loans.

Expected credit loss for trade receivable on simplified approach :

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

Notes to the Standalone Financial Statements

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2017					
Gross Carrying Amount	75,736.54	28,082.75	2,479.09	5,977.59	112,275.97
Expected Credit Loss	-	-	127.61	568.65	696.26
Carrying Amount (net of impairment)	75,736.54	28,082.75	2,351.48	5,408.94	111,579.71
As at March 31, 2018					
Gross Carrying Amount	74,331.35	23,268.91	6,567.43	10,735.48	114,903.17
Expected Credit Loss	-	16.12	204.02	361.22	581.36
Carrying Amount (net of impairment)	74,331.35	23,252.79	6,363.41	10,374.26	114,321.81
As at March 31, 2019					
Gross Carrying Amount	114,176.39	31,415.24	17,736.23	23,069.37	186,397.23
Expected Credit Loss	-	26.60	474.38	1,183.34	1,684.32
Carrying Amount (net of impairment)	114,176.39	31,388.64	17,261.85	21,886.03	184,712.91

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

(₹ in lakhs)

Particulars	ECL for Trade Receivables
As at March 31, 2017	**696.26**
Provided during the year	-
Amounts written off	-
Reversal of provisions	(114.90)
As at March 31, 2018	**581.36**
Provided during the year	1,102.96
Amounts written off	-
Reversal of provisions	-
As at March 31, 2019	**1,684.32**

III. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding

Notes to the Standalone Financial Statements

as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

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

(₹ in lakhs)

As at March 31, 2019	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	7,470.57	1,270.57	6,200.00	-	7,470.57
Trade payables	129,000.85	-	129,000.85	-	129,000.85
Other Liabilities	7,671.36	-	7,522.43	148.93	7,671.36
Total	**144,142.78**	**1,270.57**	**142,723.28**	**148.93**	**144,142.78**

(₹ in lakhs)

As at March 31, 2018	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	8,227.15	2,177.15	6,050.00	-	8,227.15
Trade payables	102,524.98	-	102,524.98	-	102,524.98
Other Liabilities	6,551.46	-	6,417.31	134.15	6,551.46
Total	**117,303.59**	**2,177.15**	**114,992.29**	**134.15**	**117,303.59**

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank overdraft and other facilities	**30,529.43**	21,772.85

Note 50 : Capital Management

(a) The Company monitors capital using gearing ratio, which is net debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt	**7,470.57**	8,227.15
Less: Cash & cash equivalent	**7,596.69**	16,585.78
Net Debt	**(126.12)**	(8,358.63)
Total Equity	**134,717.25**	122,284.30
Total Equity and Net Debt	**134,591.13**	113,925.67
Net debt to equity plus debt ratio (Gearing Ratio)	**-0.1%**	-7.3%

Notes:-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in note 24.

Notes to the Standalone Financial Statements

(ii) Total equity (as shown in balance sheet) includes issued capital and other equity.

(b) Loan Covenants

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

No changes were made in the objectives, policies or processes for managing capital during the current year and previous year.

(c) Dividends

(₹ in lakhs)

Particulars	**Recognised in the year ending**	
	March 31, 2019	March 31, 2018
(i) Dividends Recognised		
Dividend for the year ended March 31, 2018 ₹ NIL/- per equity share of ₹ 10/- each (for the year ended March 31, 2017 ₹ 15/- per equity share of ₹ 10/- each)	**NIL**	1,102.91
Interim dividend during the year ended March 31, 2019 of ₹ 5/- per equity share of ₹ 10/- each (during the year ended March 31, 2018 ₹ 16/- per equity share of ₹ 10/- each)	**417.01**	1,176.47
(ii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended March 31, 2019 the Board of directors have recommended the payment of a final dividend of ₹ 1.50 per equity share of ₹ 1/- each. (March 31, 2018 ₹ NIL/- per equity share of ₹ 10/- each) * The proposed dividend is subject to the approval of shareholders in the ensuing general meeting.	**1102.94**	NIL

Note:

During the current year, equity shares of ₹ 10/- each were sub-divided into 10 equity shares of ₹ 1/- each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Note 51 : Revenue expenditure on Research & Development **(₹ in lakhs)**

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Salaries & wages	**146.69**	106.68
Contribution to Provident & other Funds	**8.06**	5.88
Others	**36.81**	14.65
Total	**191.56**	127.21

Notes to the Standalone Financial Statements

Note 52 : 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 Manufactured items of Engineering Machinery	
b)	**Full Particulars of Cost Auditor** (For the year ended March 31, 2018)	M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon, Haryana - 122 015	
c)	**Full Particulars of Cost Auditor** (For the year ended March 31, 2019)	M/s K. C. Kohli & Co. Cost Accountants B-92, Subhadra Colony, Sarai Rohilla, Delhi - 110 035	
d)	**Filing of Cost Audit Report**	**Year ended March 31, 2019**	Year ended March 31, 2018
	i) Due Date of Filing of Cost Audit Report	**27.09.2019**	27.09.2018
	ii) Actual Date of Filing Cost Audit Report	**Not Yet Due**	31.08.2018

Note 53 : Contribution to political parties during the year 2018-19 is ₹ Nil (previous year: ₹ Nil)

As per our report of even date.
for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

CA. Abhinav Khosla
Partner
M.No. 087010
Place : Noida
Dated : May 29, 2019

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

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CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS Financial Statements of **Isgec Heavy Engineering Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, of its consolidated profit and other comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 42 to the consolidated Ind AS financial statements which describes the nature and expected outcome with respect to the ongoing litigation regarding the Bio-refinery project in Philippines. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor’s Response
1	**Revenue recognition for construction contracts** The Holding Company’s significant portion of business is undertaken through construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, “Revenue from Contracts with Customers”. Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs. The determination of revenues and margin relating to construction contracts depends on total cost at completion estimated by the management. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development during the progress of projects. This method involves significant judgments, identification of contractual obligations and the Company’s rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts. Refer Note 3.5 to the consolidated Ind AS financial statements.	**Principal Audit Procedures** In the context of our work, the procedures set up in terms of contribution to revenues of construction contracts consisted of : • Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. • Performing test of controls over revenue recognition with specific focus on controls over determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations. • Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management’s evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and tested the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts. • Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required. • Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the standalone Ind AS financial statements.

Information other than the Consolidated Ind AS Financial Statements and Auditor’s Report Thereon

The Holding Company’s management and Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company’s Annual Report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended. The respective Board of Directors of the Holding Company and its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial Statements of nine subsidiaries, whose financial statement reflect total assets of ₹ 50,979.96 lakhs as at March 31, 2019, the total revenues of ₹ 42,581.22 lakhs and net cash outflows of ₹ 4,884.03 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements of subsidiaries, as noted in the 'other matter' paragraph, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account, as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of other auditors.

   (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation for consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

   (e) On the basis of written representations received from the Directors of the holding Company as on March 31, 2019 taken on record by the Board of Directors of the holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of Group's Companies incorporated in India, is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other statutory auditors of subsidiaries incorporated in India, the remuneration for the year ended March 31, 2019 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and based upon the reports of statutory auditors of its subsidiary companies, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated Ind AS financial statements disclose the impact of pending litigation on its consolidated financial position of the Group- Refer Note 42 to the consolidated Ind AS financial statements.

b) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No: 000235N/ N500089

(Abhinav Khosla)
Partner
Membership No. 087010

Place: Noida
Date: May 29, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph (1)(f) 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of Isgec Heavy Engineering Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2019

Report on the Internal Financial Controls

(under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of **Isgec Heavy Engineering Limited** as of and for the year ended 31st March, 2019, We have audited the internal financial controls over financial reporting of Isgec Heavy Engineering Limited (hereinafter referred to as "the Holding Company") and its Subsidiaries which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies, which are incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to eight Subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No: 000235N/ N500089

(Abhinav Khosla)
Partner
Membership No. 087010

Place: Noida
Date: May 29, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
(1)	**Non - current assets**			
	(a) Property, Plant and Equipment	4	**67,181.51**	57,584.67
	(b) Capital work - in - progress		**1,875.58**	3,155.09
	(c) Goodwill	5	**2,091.63**	530.07
	(d) Other intangible assets	5	**5,581.04**	4,763.93
	(e) Financial assets			
	(i) Investments	6	**0.63**	523.08
	(ii) Trade receivables	7	**4,398.25**	3,630.92
	(iii) Loans	8	**1,219.71**	1,256.65
	(iv) Other financial assets	9	**1,548.60**	388.22
	(f) Deferred tax assets (net)	10	**680.78**	269.02
	(g) Other non - current assets	11	**612.65**	957.07
	Total Non-current assets		**85,190.38**	73,058.72
(2)	**Current assets**			
	(a) Inventories	12	**120,873.35**	83,997.13
	(b) Financial assets			
	(i) Investments	13	**15,545.87**	36,600.53
	(ii) Trade receivables	14	**189,273.81**	113,600.22
	(iii) Cash and cash equivalents	15	**10,844.13**	17,968.23
	(iv) Bank balances other than (iii) above	16	**3,193.66**	6,058.46
	(v) Loans	17	**2,002.17**	2,091.24
	(vi) Other financial assets	18	**2,688.60**	1,483.82
	(c) Current tax assets	19	**736.21**	1.71
	(d) Other current assets	20	**82,478.41**	48,013.32
	Total Current assets		**427,636.21**	309,814.66
	Total Assets		**512,826.59**	382,873.38
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	21	**735.29**	735.29
	(b) Other Equity	22	**150,784.67**	137,377.58
	Equity attributable to owners of Parent		**151,519.96**	138,112.87
	Non Controlling Interest		**7,164.98**	7,183.32
	Total equity		**158,684.94**	145,296.19
	LIABILITIES			
(1)	**Non - current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	23	**5,597.64**	-
	(ii) Other financial liabilities	24	**175.83**	161.12
	(b) Provisions	25	**6,926.35**	5,405.92
	(c) Deferred tax liabilities (net)	10	**767.59**	662.60
	(d) Other non - current liabilities	26	**25,483.16**	25,383.94
	Total Non-current Liabilities		**38,950.57**	31,613.58
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	27	**24,772.51**	14,319.62
	(ii) Trade payables	28		
	a) Total outstanding dues of micro enterprises and small Enterprises		**1,138.54**	49.79
	b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		**147,090.15**	110,945.12
	(iii) Other financial liabilities	29	**11,224.70**	12,197.68
	(b) Other current liabilities	30	**119,860.83**	53,978.25
	(c) Provisions	31	**10,361.90**	14,142.29
	(d) Current tax liabilities	19	**742.45**	330.86
	Total current liabilities		**315,191.08**	205,963.61
	Total equity & liabilities		**512,826.59**	382,873.38

The accompanying notes from 1 to 55 form an integral part of the financial statements

As per our report of even date.

for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No. 087010

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 29, 2019

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	32	**505,065.89**	382,585.97
II	Other income	33	**6,875.82**	5,727.96
III	**Total income (I + II)**		**511,941.71**	388,313.93
IV	**Expenses**			
	Cost of materials consumed	34	**150,316.81**	116,632.52
	Excise duty		**-**	3,493.64
	Purchase of stock-in-trade		**181,158.45**	72,852.19
	Erection and commissioning expenses		**44,888.65**	32,424.05
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	35	**(20,378.84)**	25,385.70
	Employee benefits expense	36	**37,549.10**	34,000.97
	Finance costs	37	**2,554.65**	2,215.76
	Depreciation and amortization expense	38	**8,248.16**	8,074.99
	Other expenses	39	**84,910.59**	68,128.47
	Total expenses		**489,247.57**	363,208.29
V	**Profit before tax (III - IV)**		**22,694.14**	25,105.64
VI	Tax expense	40		
	(1) Current tax		**8,713.56**	9,253.42
	(2) Deferred tax		**(421.00)**	(792.03)
	(3) MAT credit entitlement		**-**	(196.43)
	Total tax expenses		**8,292.56**	8,264.96
VII	**Profit for the year (V - VI)**		**14,401.58**	16,840.68
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of post employment benefits obligations		**10.20**	240.71
	(b) Equity instruments through other comprehensive income		**(217.49)**	(302.90)
	(c) Income tax relating to items that will not be reclassified to profit or loss		**(41.40)**	(53.85)
	B (ii) Items that will be reclassified to profit or loss			
	(a) Change in fair value of cross currency interest rate swap		**-**	0.15
	(b) Reclassified to profit or loss		**4.26**	24.23
	(c) Exchange difference on translation of foreign operation		**(177.50)**	-
	Total other comprehensive income		**(421.93)**	(91.66)
IX	**Total comprehensive income (VII + VIII)**		**13,979.65**	16,749.02
	Profit for the year		**14,401.58**	16,840.68
	Attributable to:			
	Owners of the parent		**14,276.44**	15,727.85
	Non-controlling interests		**125.14**	1,112.83
	Other comprehensive for the year		**(421.93)**	(91.66)
	Attributable to:			
	Owners of the parent		**(426.12)**	(111.53)
	Non-controlling interests		**4.19**	19.87
	Total comprehensive income of the year:		**13,979.65**	16,749.02
	Attributable to:			
	Owners of the parent		**13,850.32**	15,616.32
	Non-controlling interests		**129.33**	1,132.70
X	**Earnings per equity share (nominal value of ₹ 1 each) for Profit attributable to Owners of the Parent**	41		
	Basic (₹)		**19.42**	21.39
	Diluted (₹)		**19.42**	21.39

The accompanying notes from 1 to 55 form an integral part of the financial statements

As per our report of even date.

for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

CA. Abhinav Khosla
Partner
M.No. 087010
Place : Noida
Dated : May 29, 2019

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from Operating activities**		
	Profit before tax	**22,694.14**	**25,105.64**
	Adjustments for :		
	Depreciation and amortization expenses	8,248.16	8,074.99
	Preliminary expenses written off	-	3.63
	(Profit)/Loss on diminution in value of stores and investments	8.36	7.55
	(Gain) / Loss on disposal of property, plant and equipment	324.77	(30.80)
	(Gain) / loss on sale of financial instruments	(1,794.89)	(1,312.75)
	Change in fair valuation of investments	(824.50)	(2,330.94)
	Income from investment - dividends	(1.84)	(36.36)
	Adjustment of expected credit loss	1,110.69	-
	Bad debts written off	0.04	0.42
	Liability no longer required written back	(2,262.49)	(1,244.38)
	Interest income	(1,253.49)	(1,611.64)
	Finance costs	2,554.65	2,215.76
	Adjustment due to discounting in warranty provision	95.23	(295.37)
	Cash flow before working capital adjustments	**28,898.83**	**28,545.75**
	Working capital adjustments		
	Increase/(decrease) in trade receivables	(75,809.19)	671.57
	(Increase)/decrease in current financial assets	(31,161.57)	(11,731.97)
	(Increase)/decrease in inventories	(36,742.97)	23,570.54
	Increase/(decrease) in financial liabilities	102,360.70	(20,824.06)
	Increase/(decrease) in provision /other payables	(2,344.99)	(1,798.86)
	Cash flow after working capital requirements	**(14,799.19)**	**18,432.97**
	Income Tax paid (net of refund)	(8,963.64)	(8,359.48)
	Net cash from operating activities	**(23,762.83)**	**10,073.49**
B	**Cash flow from Investing activities**		
	Proceeds from sale of property, plant and equipment	82.09	368.46
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(12,042.73)	(8,348.83)
	Payment towards acquisition of business, net of cash acquired	(4,664.44)	-
	Purchase of intangible assets	(539.19)	(1,915.40)
	Sale /(Purchase) of equity shares / mutual funds	23,979.01	35,888.80
	Proceeds from sale of financial instruments	(1,160.38)	(150.29)
	Interest received	1,357.18	1,733.52
	Dividend received	1.84	36.36
	Net cash flow from / (used in) investing activities	**7,013.38**	**27,612.62**

(₹ in lakhs)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C	**Cash flow from Financing activities**		
	Dividend paid on equity shares	(531.83)	(2,384.49)
	Dividend tax paid	(100.74)	(449.51)
	Finance cost - long term / short term	(2,998.06)	(2,303.01)
	Proceeds/(repayment) from borrowings	12,961.44	(18,150.80)
	Net cash flow from / (used in) financing activities	**9,330.81**	**(23,287.81)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7,418.64)	14,398.30
	Cash and cash equivalents at the begining of the year	17,968.23	3,569.93
	Effect of Foreign currency translation	294.54	-
	Cash and cash equivalents at the end of the year	**10,844.13**	**17,968.23**
	Components of cash and cash equivalents		
	Cash, Cheques & Drafts on hand	57.25	45.87
	Balance with Scheduled Banks	8,138.39	2,579.42
	Bank term deposits	2,648.49	15,342.94
	Cash and cash equivalents	**10,844.13**	**17,968.23**

Notes:

1 The above cash flow statement has been prepared under the indirect method setout in Indian Accounting Standard (Ind AS) 7.

2 Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Short-term borrowing
Opening balance as on April 1, 2018	17,408.71
Non-cash changes due to	
- Interest expense	-
- Others	-
Cash flows during the year	12,961.44
Closing balance as on March 31, 2019	**30,370.15**

3 Figures in brackets indicate cash outgo.

As per our report of even date.
for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

CA. Abhinav Khosla
Partner
M.No. 087010
Place : Noida
Dated : May 29, 2019

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

STATEMENT OF CHANGES IN EQUITY IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital (₹ in lakhs)

Particulars	Amount
As at April 1, 2017	735.29
Changes in equity share capital	-
As at March 31, 2018	735.29
Changes in equity share capital	-
As at March 31, 2019	**735.29**

B. Other equity (₹ in lakhs)

Particulars	Attributable to Owners of the Parent									Non Con-trolling Interest	Total
	Reserves and surplus					Items of other comprehensive income			Total Other Equity		
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through Other Comprehen-sive Income	Effective Portion of Cash Flow Hedges	Foreign currency translation reserve			
Balance as at April 1, 2017	0.01	450.22	3.24	18,816.93	104,733.45	629.51	(4.46)	-	124,628.90	6,050.62	130,679.52
Profit for the year	-	-	-	-	15,727.85	-	-	-	15,727.85	1,112.83	16,840.68
Other comprehensive income for the year	-	-	-	-	178.94	(302.90)	12.42	-	(111.53)	19.87	(91.66)
Total comprehensive income for the year	-	-	-	-	15,906.79	(302.90)	12.42	-	15,616.32	1,132.70	16,749.02
Dividend paid	-	-	-	-	(2,418.13)	-	-	-	(2,418.13)	-	(2,418.13)
Dividend distribution tax	-	-	-	-	(449.51)	-	-	-	(449.51)	-	(449.51)
Balance as at March 31, 2018	0.01	450.22	3.24	18,816.93	117,772.60	326.61	7.96	-	137,377.58	7,183.32	144,560.90
Profit for the year	-	-	-	-	14,276.44	-	-	-	14,276.44	125.14	14,401.58
Cash flow hedge reserve reversal	-	-	-	-	-	-	4.26	-	4.26	-	4.26
Other comprehensive income for the year	-	-	-	-	(35.39)	(217.49)	-	(177.50)	(430.38)	4.19	(426.19)
Total comprehensive income for the year	-	-	-	-	14,241.05	(217.49)	4.26	(177.50)	13,850.31	129.33	13,979.65
Dividend paid	-	-	-	-	(367.65)	-	-	-	(367.65)	(122.50)	(490.15)
Dividend distribution tax	-	-	-	-	(75.57)	-	-	-	(75.57)	(25.17)	(100.74)
Balance as at March 31, 2019	**0.01**	**450.22**	**3.24**	**18,816.93**	**131,570.43**	**109.12**	**12.22**	**(177.50)**	**150,784.67**	**7,164.98**	**157,949.66**

As per our report of even date.

for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No. 087010
Place : Noida
Dated : May 29, 2019

S.K. Khorana
Executive Director & Company Secretary
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Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Notes to the Consolidated Financial Statements

1. Corporate Information

Isgec Heavy Engineering Limited (the "Company" or the "Parent Company") is a public limited Company incorporated and domiciled in India, whose shares are listed on the Bombay Stock Exchange (BSE). The registered office of the Company is situated at Radaur Road, Yamunanagar-135001, Haryana, India.

The Company is a Heavy Engineering Company having two segments i.e. manufacturing of machinery & equipment and engineering, procurement & construction. Manufacture of machinery & equipment comprise manufacture of process plant equipments, mechanical and hydraulic presses, alloy steel, ferrous castings, boiler tubes & panels and containers. Engineering, procurement & construction comprise contract manufacturing and execution of projects for setting up boilers, sugar plants, power plants, material handling equipments and air pollution control equipment for customers in India and abroad.

One subsidiary is engaged in manufacture of sugar and its by-products.

The Company together with its subsidiaries is hereinafter referred to as "the Group".

2. Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2019. Control is achieved when the Company is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Company re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the Consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e. year ended on 31 March.

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the Company and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows to the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statement. Ind AS 12 Income tax applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

3. Summary of Significant Accounting Policies

3.1 Basis of Preparation and Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis (except certain Financial Instruments which are measured at fair value), the provisions of the Companies Act , 2013 (`Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. The financial statements were authorized for issue by the Company's Board of Directors on 29th May 2019.

3.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis Indicated below:

Notes to the Consolidated Financial Statements

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an Indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or

Notes to the Consolidated Financial Statements

additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.3 Use of Estimates

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

3.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

3.5 Revenue Recognition

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Notes to the Consolidated Financial Statements

Sale of products

Revenue from the sale of products are recognised when control of the goods has passed to the buyer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Sale is net of sales returns, discounts and goods & services tax.

Revenue is measured at the transaction price. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue from Construction Contracts

Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognise revenue on the basis of costs incurred to date compared to total estimated contract costs.

Contract Costs comprise of costs that directly relate to specific contract, costs that are attributable to contract activity in general and can be allocated to contract and such other costs as are specifically chargeable to the customer under the terms of contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The difference between the cumulative amount of revenues recognized and intermediary billing is measured. If this difference is positive, it is recognized under an asset. If this difference is negative, it is recognized as a liability.

Other Income

(i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR). Effective Interest Rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) 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.

Rental Income

Rental income from operating leases is recognized on straight line basis over lease term.

Dividend

Revenue from Dividend is recognized when the Company's right to receive payment is established.

3.6 Inventories

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

Notes to the Consolidated Financial Statements

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost includes cost of direct materials and applicable direct manufacturing and administrative overheads but exclude borrowing costs. Cost is determined on weighted average basis.

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

Traded Good includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

3.7 Property, Plant & Equipment

Recognition

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

Cost includes its purchase price (including import duties and non-refundable purchase taxes), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

De-recognition

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

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

3.8 Intangible Assets

An intangible asset recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and the cost of the asset can be measured reliably.

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

Notes to the Consolidated Financial Statements

The cost of an intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

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

3.9 Depreciation and Amortization

Depreciation is provided on Property, Plant & Equipment in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method except in respect of certain Plant & Machinery which are depreciated as per straight line method.

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 method.

Leasehold land is amortised on the straight line basis over the period of lease term.

Leasehold improvements are written off over the shorter of its useful life or over the period of lease.

3.10 Impairment of Non-Financial Assets

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

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

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

3.11 Employee Benefits

(i) Provident Fund

The Company operates a provident fund trust for its employees where contributions are deposited and is recognized as an expense on the basis of services rendered by the employees which is a defined contribution plan in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952.

(ii) Gratuity

The Company operates a Gratuity Fund Trust which in turn has taken Group Gratuity cum Life Assurance policies with the Life Insurance Corporation of India for all the employees. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan.

Notes to the Consolidated Financial Statements

The liability determined by actuarial valuation using projected credit method is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

(iii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company treats the accumulated leave as short term employee benefits and accordingly, any gains and losses on actuarial valuation are recognised as expense in the statement of profit and loss.

(iv) Retirement Benefits

National Pension Scheme Contributions towards pension is made to various funds such benefit are classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contributions made on the monthly/yearly basis.

(v) Pension

Liability on account of pension payable to employees covered under Company's erstwhile Pension scheme (since discontinued) has been accounted for on accrual basis.

(vi) Superannuation Benefit

The Company makes contribution to superannuation fund, for the employees who have opted for this scheme, which is a postemployment benefit in the nature of a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(vii) Other Short Term Benefits

Expense in respect of other short term benefits is recognized in statement of profit and loss, on the basis of the amount paid or payable for the period during which services are rendered by the employee.

3.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under Leases, 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.

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception

Notes to the Consolidated Financial Statements

date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognized on straight line basis over the lease term.

3.13 Taxes

Current income tax

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

Deferred Tax

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Deferred tax relating to items of Other Comprehensive Income is recognized in Other Comprehensive Income.

3.14 Borrowing Cost

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

Notes to the Consolidated Financial Statements

3.15 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognized because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

3.16 Cash dividend to equity holders

The Companies in the Group recognized a liability to make cash distribution to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3.17 Earning Per Share

Basic earning per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

Notes to the Consolidated Financial Statements

3.18 Financial instruments

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

Initial recognition

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

Subsequent measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

B. Derivative financial instruments

(i) Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes to the Consolidated Financial Statements

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Derecognition

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

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The Company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Reclassification of financial assets

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

3.19 Cash and cash equivalents

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

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

3.20 Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

Notes to the Consolidated Financial Statements

3.21 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to expenses are deducted in reporting the related expense.

3.22 Foreign currencies

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.23 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

Notes to the Consolidated Financial Statements

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

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

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

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

3.24 Recent Accounting Pronouncements

As set out below, amendments to standards are effective for annual periods beginning on or after April 1, 2019, and have not been applied in preparing these financial statements.

IND AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the under lying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application OR
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company is evaluating the requirements of the new standard and its impact, if any, on the financial statements.

Notes to the Consolidated Financial Statements

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is evaluating the requirements of the amendment and its impact, if any, on the financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

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

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

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

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

Notes to the Consolidated Financial Statements

Note 4 : Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value								
As at April 1, 2017	12,481.36	3,521.92	23,145.10	68,799.01	1,945.19	2,111.39	5,165.03	117,169.00
Adjustments	-	-	(5.45)	(1,177.80)	(50.29)	(195.00)	5.01	(1,423.53)
Additions	65.26	-	597.94	5,463.00	185.17	375.87	289.19	6,976.43
Disposals	-	-	14.14	1,183.02	36.51	488.52	85.32	1,807.51
As at March 31, 2018	12,546.62	3,521.92	23,723.45	71,901.19	2,043.56	1,803.74	5,373.91	120,914.39
Additions	104.26	-	4,315.65	7,757.99	97.73	343.73	687.17	13,306.53
Additions - Business Combinations	248.62	-	2,531.43	1,043.10	-	-	108.71	3,931.86
Disposals	-	-	386.84	407.24	14.99	137.53	108.54	1,055.14
Translation difference	(16.82)	-	(171.22)	(70.14)	-	-	(6.83)	(265.01)
As at March 31, 2019	**12,882.68**	**3,521.92**	**30,012.47**	**80,224.90**	**2,126.30**	**2,009.94**	**6,054.42**	**136,832.63**
Accumulated depreciation								
As at April 1, 2017	-	715.59	10,724.01	41,109.18	1,210.11	1,478.20	4,076.19	59,313.28
Charge for the year	-	72.83	1,188.04	4,494.12	525.86	218.38	410.59	6,909.82
Disposals	-	-	9.18	994.41	32.48	354.62	79.16	1,469.85
Adjustments	-	-	(5.42)	(1,171.94)	(42.89)	(195.00)	(8.28)	(1,423.53)
As at March 31, 2018	-	788.42	11,897.45	43,436.95	1,660.60	1,146.96	4,399.34	63,329.72
Charge for the year	-	72.89	1,308.23	4,716.71	99.83	241.49	537.21	6,976.36
Disposals	-	-	91.56	347.64	13.26	99.11	96.71	648.28
Translation difference	-	-	(2.21)	(3.97)	-	-	(0.50)	(6.68)
As at March 31, 2019	**-**	**861.31**	**13,111.91**	**47,802.05**	**1,747.17**	**1,289.34**	**4,839.34**	**69,651.12**
Net carrying value								
As at March 31, 2018	12,546.62	2,733.50	11,826.00	28,464.24	382.96	656.78	974.57	57,584.67
As at March 31, 2019	**12,882.68**	**2,660.61**	**16,900.56**	**32,422.85**	**379.13**	**720.60**	**1,215.08**	**67,181.51**

Notes:

(i) Contractual commitment towards purchase of property, plant and equipment, refer Note - 42.

(ii) Borrowing cost capitalized during the period is nil.

Notes to the Consolidated Financial Statements

Note 5 : Goodwill and other intangible assets **(₹ in lakhs)**

Particulars	Software	Technical know how	Total (other intangible assets)	Goodwill	Total
Gross carrying value					
As at April 1, 2017	3,013.35	6,582.77	9,596.12	530.07	10,126.19
Additions	278.46	1,764.87	2,043.33	-	2,043.33
As at March 31, 2018	3,291.81	8,347.64	11,639.45	530.07	12,169.52
Additions	226.83	312.35	539.18	165.25	704.43
Additions - Business Combinations	-	1,662.15	1,662.15	1,497.60	3,159.75
Translation difference	-	(112.42)	(112.42)	(101.29)	(213.71)
As at March 31, 2019	**3,518.64**	**10,209.72**	**13,728.36**	**2,091.63**	**15,819.99**
Accumulated depreciation					
As at April 1, 2017	1,864.51	3,845.84	5,710.35	-	5,710.35
Charge for the year	447.91	717.26	1,165.17	-	1,165.17
As at March 31, 2018	2,312.42	4,563.10	6,875.52	-	6,875.52
Charge for the year	414.46	857.34	1,271.80	-	1,271.80
As at March 31, 2019	**2,726.88**	**5,420.44**	**8,147.32**	**-**	**8,147.32**
Net carrying value					
As at March 31, 2018	979.39	3,784.54	4,763.93	530.07	5,294.00
As at March 31, 2019	**791.76**	**4,789.28**	**5,581.04**	**2,091.63**	**7,672.67**

Note 6 : Non-current financial assets - Investments

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Number	**Amount (₹ in lakhs)**	Number	**Amount (₹ in lakhs)**
Investments in equity instruments				
(a) Other companies fully paid up (unquoted)				
DCM Shriram Industries Limited (Face value of ₹ 10/- each)	**-**	**-**	265,000	522.45
(b) Investments in government or trust securities (Unquoted)				
Post Office Saving Account	**-**	**0.60**	-	0.60
(c) Others				
SVC Co-operative Bank Limited (Face value of ₹ 25/- each)	**100**	**0.03**	100	0.03
Total investments		**0.63**		523.08
i) Aggregate Value of Investments:				
Aggregate amount of quoted investments:		**-**		522.45
Aggregate amount of unquoted investments:		**0.63**		0.63
Aggregate amount of impairment in value of investments:		**-**		-
ii) Investment in Post Office Saving Account have been pledged as security with Cane Commissioner, Haryana				

Notes to the Consolidated Financial Statements

Note 7 : Non-current financial assets - Trade receivables **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	4,398.25	3,630.92
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	7.36	9.10
Allowance for expected credit losses	(7.36)	(9.10)
Total	4,398.25	3,630.92

Note 8 : Non-current financial assets - Loans **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans receivables considered good - Secured		
- Loans to employees	311.36	355.03
Loans receivables considered good - Unsecured		
- loans to employees	117.49	96.18
- Security deposit (other than Govt)*	790.86	805.44
Total	1,219.71	1,256.65

* Includes balances with related parties (refer note 45)

Note 9 : Non-current financial assets - Others **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
- Fixed deposits with banks having maturity of more than twelve months	125.84	388.22
- Fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve months	1,370.00	-
- Interest accrued but not due on deposits	52.76	-
Total	1,548.60	388.22

Note 10 : Deferred tax assets / liabilities (net) **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (refer note 10.1)	680.78	269.02
Deferred tax liabilities (refer note 10.2)	767.59	662.60

Notes to the Consolidated Financial Statements

Note 10.1 : The balance comprises temporary differences attributable to: **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deferred tax assets		
Employee benefits	**1,221.27**	1,208.99
Fair valuation of investments	**(250.13)**	(50.10)
Property, plant & equipment	**(915.82)**	(1,428.95)
Brought forward business losses	**35.23**	34.25
Provision for expected credit losses	**588.57**	203.15
Other items	**1.66**	27.45
Net deferred tax assets/(liabilities)	**680.78**	(5.21)
(b) MAT credit entitlement (refer note 10.3)	**-**	274.22
Total deferred tax assets/(liabilities)	**680.78**	269.02

Movement in Deferred tax Assets **(₹ in lakhs)**

	Employee benefits deductible in future years	Fair valuation of investments	Property, Plant & Equipment	B/F Business Losses	Provision for expected credit losses	Other items	Total
As at April 1, 2017	53.07	-	(261.07)	17.24	12.79	(1.58)	(179.55)
(Charged)/credited:-							
-to profit & loss	1,226.44	(50.10)	(1,167.88)	17.01	190.36	29.03	244.86
-to other comprehensive income	(70.51)	-	-	-	-	-	(70.51)
As at March 31, 2018	1,208.99	(50.10)	(1,428.95)	34.25	203.15	27.45	(5.21)
(Charged)/credited:-							
-to profit & loss	22.07	(200.03)	513.13	0.98	385.42	(25.79)	695.78
-to other comprehensive income	(9.79)	-	-	-	-	-	(9.79)
As at March 31, 2019	**1,221.27**	**(250.13)**	**(915.82)**	**35.23**	**588.57**	**1.66**	**680.78**

Note 10.2 : The balance comprises temporary differences attributable to: **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deferred Tax Liabilities		
Defined benefit obligation	**170.00**	110.07
Property, plant & equipment	**(1,237.70)**	(895.80)
Other items	**109.61**	123.13
Net deferred tax assets/(liabilities)	**(958.10)**	(662.60)
(b) MAT credit entitlement (refer note 10.3)	**190.51**	-
Net deferred tax assets/(liabilities)	**(767.59)**	(662.60)

Notes to the Consolidated Financial Statements

Movement in deferred tax liabilities **(₹ in lakhs)**

Particulars	Defined Benefit Obligation/ Employee Benefits	Property, Plant & Equipment	Other items	Total
As at April 1, 2017	1,084.07	(2,347.82)	37.28	(1,226.47)
(Charged)/credited:-				
-to profit & loss	(974.00)	1,452.02	69.14	547.16
-to other comprehensive income	-	-	16.71	16.71
As at March 31, 2018	110.07	(895.80)	123.13	(662.60)
(Charged)/credited:-				
-to profit & loss	63.94	(341.90)	3.19	(274.78)
-to other comprehensive income	(4.01)	-	(16.71)	(20.72)
As at March 31, 2019	**170.00**	**(1,237.70)**	**109.61**	**(958.10)**

Note 10.3 : Movement in MAT credit entitlement **(₹ in lakhs)**

Particulars	Amount
As at April 1, 2017	1,042.66
(Charged)/credited:-	
-to profit & loss	(196.43)
-to other comprehensive income	-
-adjusted in current tax	(572.01)
As at March 31, 2018	274.22
(Charged)/credited:-	
-to profit & loss	-
-to other comprehensive income	-
-adjusted in current tax	(83.71)
As at March 31, 2019	**190.51**

Note 11 : Other non-current assets **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	**349.47**	906.94
WCT receivables	**24.90**	24.90
Service tax on input services	**15.47**	15.47
Prepaid expenses	**222.61**	9.56
Others	**0.20**	0.20
Total	**612.65**	957.07

Notes to the Consolidated Financial Statements

Note 12 : Inventories (lower of cost or net realisable value) **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials		
Raw materials	**21,664.54**	17,793.32
Raw materials in transit	**1,732.40**	1,801.88
Work - in - progress		
Engineering goods	**48,844.99**	30,634.91
Ingots and steel castings	**3,390.56**	2,783.27
Sugar	**148.42**	112.81
Finished goods		
Engineered goods	**453.51**	249.00
Sugar	**36,698.45**	24,812.00
Molasses	**139.45**	239.00
Stock in trade		
Goods in transit	**3,890.36**	1,734.85
Goods at warehouse	**166.65**	-
Stores & spares	**3,637.37**	3,791.70
Stores & spares in transit	**47.92**	-
Loose tools & others	**58.73**	44.39
Total	**120,873.35**	83,997.13

For inventories hypothecated/pledged as security, please refer note 27

Notes to the Consolidated Financial Statements

Note 13 : Current financial assets - Investments

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in equity instruments				
-Quoted				
Reliance Industries Limited	-	-	1,408	12.43
Reliance Power Limited	-	-	872	0.32
Shares held under equity portfolio management service (refer note 13.1)		-		266.94
		-		279.69
b) Investments in bonds & debentures				
-Quoted				
Canara Bank - 9.55%BD perpetual	**50**	**500.00**	50	500.00
Citicorp Finance (India) Limited NCD Series-604 (Tranche 7)	-	-	500	553.10
Citicorp Finance (India) Limited NCD Series-604 (Tranche 8)	**500**	**661.85**	500	572.60
Reliance Capital Limited NCD Series B/406	**1,000**	**1,166.80**	1,000	1,074.40
Citicorp Finance (India) Limited NCD Series-629	-	-	2,500	2,676.75
Citicorp Finance (India) Limited NCD Series-632	-	-	2,500	2,681.75
8.22% Daimler Financial Bonds	-	-	54	550.90
7.55% DHFL Bonds	**40**	**412.46**	40	410.23
7.80% HDFC Bonds	-	-	1	102.80
7.92% IHFLIN Bonds	-	-	23	234.41
8.38% LIC HF Bonds	-	-	4	41.36
		2,741.11		9,398.30
c) Investments in mutual funds				
-Unquoted				
Aditya Birla Sun Life Short Term Fund -Growth-Direct Plan	-	-	3,234,779	2,161.50
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	**5,000,000**	**578.22**	5,000,000	537.07
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	**5,000,000**	**579.55**	5,000,000	538.46
DHFL Pramerica Banking and PSU Debt Fund - Direct Plan - Growth	-	-	7,035,911	1,080.12
DHFL Pramerica Fixed Duration Fund - Series AB - Direct Plan - Growth	**50,000**	**580.80**	50,000	547.94
DHFL Pramerica Fixed Duration Fund - Series AE - Direct Plan - Growth	**50,000**	**579.02**	50,000	537.34
DSP BlackRock Short Term Fund - Direct Plan - Growth	-	-	1,795,184	548.71
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	-	-	5,845,213	870.55
HDFC Banking and PSU Debt Fund- Direct Growth Option	-	-	12,719,500	1,804.72
HDFC Medium Term Opportunity Fund-Direct Plan-Growth Option	-	-	7,747,479	1,503.61
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	**8,000,000**	**925.38**	8,000,000	860.15
IDFC Corporate Bond Fund Direct Plan-Growth	-	-	2,000,000	239.41
Reliance Dynamic Bond Fund-Direct Growth Plan	-	-	2,148,730	515.62

Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan	-	-	5,000,000	649.44
Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan	-	-	5,000,000	651.77
Reliance Fixed Horizon Fund-XXX-Series 17-Direct Growth Plan	**5,000,000**	**631.60**	5,000,000	588.06
Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan	**5,000,000**	**637.96**	5,000,000	593.13
Reliance Liquid Fund-Cash Plan-Growth Option-Growth Plan	-	-	54,796	1,476.70
Reliance Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	**10,000,000**	**1,174.10**	10,000,000	1,090.64
SBI Dual Advantage Fund-Series XI-Regular-Growth	-	-	1,000,000	118.60
SBI Dual Advantage Fund-Series XII-Regular-Growth	**1,000,000**	**125.37**	1,000,000	119.11
SBI Debt Fund Series-B-34 (1131 Days)-Direct Growth	**10,000,000**	**1,263.71**	10,000,000	1,177.52
SBI Dual Advantage Fund-Series XV-Regular-Growth	**2,000,000**	**241.43**	2,000,000	229.08
SBI Premier Liquid Fund - Regular Plan - Growth	**55,329**	**1,902.37**	55,329	1,502.51
SBI Short Term Debt Fund - Regular Plan - Growth	-	-	10,074,606	2,017.55
SBI Dual Advantage Fund-Series XIX-Regular-Growth	**1,000,000**	**112.04**	1,000,000	107.53
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	**5,000,000**	**575.76**	5,000,000	535.81
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	**5,000,000**	**577.08**	5,000,000	536.65
		10,484.39		23,139.30
d) Other investments				
-Unquoted				
ASK Real Estate Special Opportunities Fund		**419.14**		240.00
Reliance Yield Maximiser Fund		**141.95**		272.53
Edelweiss Alpha Fund		-		231.57
India Whizdom Fund		**112.18**		111.35
Edelweiss (Ambit) Real Estate Opportunities Fund (EROF)		**120.94**		95.00
IDFC Score Fund		**171.16**		107.45
Indiabulls High Yield Fund		**202.38**		196.88
DSP Blackrock India Enhanced Equity Fund		-		219.20
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		**195.86**		200.00
ASK Real Estate Special Situations Fund		**83.49**		40.00
Indiabulls Dual Advantage Commercial Asset Fund		**379.44**		249.80
Reliance Yield Maximiser Scheme-III		**493.83**		519.46
		2,320.37		2,483.24
e) Deposits				
-Unquoted				
Bajaj Finance Limited		-		300.00
PNB Housing Finance Limited		-		1,000.00
		-		1,300.00
Total current investments (a + b + c + d + e)		**15,545.87**		36,600.53
Aggregate value of investments :				
Aggregate amount of quoted investments		**2,741.11**		9,677.99
Market value of quoted investments		**2,741.11**		9,677.99
Aggregate amount of unquoted investments		**12,804.76**		26,922.54
Aggregate amount of impairment in value of investments		-		-

Notes to the Consolidated Financial Statements

Note 13.1 : Details of shares held under equity portfolio management service with "ASK Investment Managers Pvt. Ltd."

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
Asian Paints Limited	-	-	1,184	13.27
Bajaj Finance Limited	-	-	1,066	18.87
Bajaj Finserv Limited	-	-	343	17.76
Divi's Laboratories Limited	-	-	1,085	11.82
Eicher Motors Limited	-	-	51	14.45
Gruh Finance Limited	-	-	3,497	20.18
HDFC Bank Limited	-	-	993	18.78
Hindustan Petroleum Corporation Limited	-	-	4,150	14.28
Indusind Bank Limited	-	-	925	16.61
Kajaria Ceramics Limited	-	-	1,920	10.89
M R F Limited	-	-	24	17.35
Maruti Suzuki India Limited	-	-	186	16.49
MAX Financial Services Limited	-	-	1,509	6.85
Motherson Sumi Systems Limited	-	-	5,328	16.61
National Building Construction Corporation Limited	-	-	5,096	9.70
P I Industries Limited	-	-	1,579	14.02
Page Industries Limited	-	-	73	16.56
Ramco Cements Limited	-	-	1,698	12.45
		-		266.94

Note 14 : Current financial assets - Trade receivables **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured *	**189,273.81**	113,600.22
Trade receivable which have significant increase in credit risk	-	-
Trade receivables - credit impaired	**1,764.88**	704.48
Allowance for expected credit losses	**(1,764.88)**	(704.48)
Total	**189,273.81**	113,600.22

* For trade receivables hypothecated/pledged as security, refer note 27.

Notes to the Consolidated Financial Statements

Note 15 : Current financial assets - Cash & cash equivalents **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- In current	**8,138.39**	2,579.42
- In fixed deposits accounts with original maturity of less than three months	**2,648.49**	15,342.94
Cheques, drafts on hand	**31.09**	3.00
Cash on hand	**26.16**	42.87
Total	**10,844.13**	17,968.23

Note 16 : Current financial assets - Other bank balances **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- In fixed deposits accounts maturing within one year	**1,523.22**	1,815.02
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	**1,543.54**	4,074.86
Earmarked - Unclaimed dividend accounts	**126.90**	168.58
Total	**3,193.66**	6,058.46

Note 17 : Current financial assets - Loans **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans receivables considered good - Secured		
Loans to employees	**108.91**	89.09
Security deposits	**23.68**	50.91
Interest accrued on security deposits	**9.97**	11.61
Loans receivables considered good - Unsecured		
Advances to employees	**792.52**	953.16
Security deposits *	**1,034.28**	972.45
Other loans	**18.70**	-
Interest accrued on security deposits	**14.11**	14.02
Total	**2,002.17**	2,091.24

*includes balances with related parties (refer note 45)

Note 18 : Current financial assets - Others **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Forward contract assets	**2,491.12**	1,166.56
Cross currency swap	**-**	16.09
Interest accrued on fixed deposits	**197.48**	301.17
Total	**2,688.60**	1,483.82

Notes to the Consolidated Financial Statements

Note 19 : Current tax assets / liabilities **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Prepaid income taxes	**7,178.30**	3.88
Less: provisions for income tax	**6,442.09**	2.17
Net current tax assets	**736.21**	1.71
Provisions for income tax	**8,478.58**	11,696.86
Less: Prepaid income taxes	**7,736.13**	11,366.00
Net current tax liabilities	**742.45**	330.86

Note 20 : Other current assets **(₹ in lakhs)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Advance to suppliers *	**60,871.86**	36,273.25
Prepaid expenses	**1,390.75**	701.39
Balance with government authorities	**7,514.83**	5,789.07
Group gratuity fund	**346.99**	347.38
Export incentive receivable	**2,728.20**	1,391.43
Unbilled revenue	**9,012.09**	3,078.16
Others	**613.69**	432.64
Total	**82,478.41**	48,013.32

* includes balances with related parties (refer note 45)

Note 21 : Share Capital

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Number of Shares	**Amount (₹ in lakhs)**	Number of Shares	Amount (₹ in lakhs)
Authorised share capital	**85,000,000**	**850.00**	8,500,000	850.00
(Equity shares of ₹1/- each with voting rights)*				
(Previous year Equity shares of ₹10/- each with voting rights)				
Issued, subscribed & paid up	**73,529,510**	**735.29**	7,352,951	735.29
(Equity shares of ₹1/- each with voting rights)*				
(Previous year Equity shares of ₹10/- each with voting rights)				
Total		**735.29**		735.29

* During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Notes to the Consolidated Financial Statements

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 ₹ 1 per share (previous year ₹ 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 year:

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Number of Shares	**Amount (₹ in lakhs)**	Number of Shares	Amount (₹ in lakhs)
Equity shares outstanding at the beginning of the year*	**7,352,951**	**735.29**	7,352,951	735.29
Add: Issued during the year	**-**	**-**	-	-
Less: Shares bought back during the year	**-**	**-**	-	-
Sub division of shares (from ₹10 to ₹1 per equity share) during the year*	**66,176,559**	**-**	-	-
Equity shares outstanding at the end of the year*	**73,529,510**	**735.29**	7,352,951	735.29

*During the current year, equity shares of ₹10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

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

Class of shares/name of the shareholders:	**As at March 31, 2019**		As at March 31, 2018	
	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.	**32,965,260**	**44.83%**	3,296,526	44.83%
(ii) Mr. Ranjit Puri	**6,592,010**	**8.97%**	659,201	8.97%
(iii) Mr. Aditya Puri	**4,568,080**	**6.21%**	456,808	6.21%
(iv) Mr. Ranjan Tandon	**2,339,000**	**3.18%**	438,900	5.97%

*During the current year, equity shares of ₹10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Notes to the Consolidated Financial Statements

Note 22 : Other equity **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Capital reserve		
Balance outstanding at the beginning of the year	**0.01**	0.01
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.3)	**0.01**	0.01
(b) Capital redemption reserve		
Balance outstanding at the beginning of the year	**3.24**	3.24
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.3)	**3.24**	3.24
(c) Securities premium		
Balance outstanding at the beginning of the year	**450.22**	450.22
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.3)	**450.22**	450.22
(d) General reserve		
Balance outstanding at the beginning of the year	**18,816.93**	18,816.93
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.3)	**18,816.93**	18,816.93
(e) Surplus in statement of profit and loss		
Balance outstanding at the beginning of the year	**117,772.60**	104,733.45
Add: Profit for the year	**14,276.44**	15,727.85
Remeasurements of Post Employment Benefits Obligations (refer note 22.2)	**(35.39)**	178.94
Less: Dividend Paid including dividend distribution tax	**75.57**	1,691.17
Less: Interim Dividend Paid including dividend distribution tax	**367.65**	1,176.47
Balance outstanding at the end of the year	**131,570.43**	117,772.60
(f) Other comprehensive income (specify nature)		
(i) Equity Instruments through Other Comprehensive Income		
-Balance outstanding at the beginning of the year	**326.61**	629.51
-Other comprehensive income for the year	**(217.49)**	(302.90)
-Balance outstanding at the end of the year (refer note 22.3)	**109.12**	326.61
(ii) Effective Portion of Cash Flow Hedges		
-Balance outstanding at the beginning of the year	**7.96**	(4.46)
-Other comprehensive income for the year	**4.26**	12.42
-Balance outstanding at the end of the year (refer note 22.3)	**12.22**	7.96
(iii) Foreign currency translation reserve	**(177.50)**	-
Total	**150,784.67**	137,377.58

Notes to the Consolidated Financial Statements

Note 22.1 : During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Note 22.2 : This item is of other comprehensive income arising from remeasurement of defined benefit obligation net of income tax, which is directly recognised in retained earning.

Note 22.3 : Nature and purpose of reserves

Capital reserve

400 equity shares of ₹ 1 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.

Capital redemption reserve

Capital redemption reserve of ₹ 1.58 lakhs was created against the redemption of cumulative preference shares in financial year 1991-92 and ₹ 1.66 lakhs against the buy back of equity shares in financial year 2013-14.

Securities premium

Securities premium represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

General reserve

This represents appropriation of profit after tax by the Group.

Retained earnings

This comprise group's undistributed profit after taxes.

Cash flow hedge reserve

The group uses hedging instrument as part of its management of foreign currency risk associated with borrowing in foreign exchange. For hedging the foreign currency risk, the group uses cross currency interest rate swap which is designated as cash flow hedge. Amounts recognised in cash flow hedge reserve is reclassified to profit and loss, when the hedge item affects profit and loss.

FVOCI Equity Investment

The group has elected to recognise changes in fair value of certain investments in equity securities through OCI as other reserves. The group transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.

Note 23 : Non current financial liabilities - Borrowings **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Term loan (refer note 23.1)	**5,597.64**	-
Total	**5,597.64**	-

Notes to the Consolidated Financial Statements

Note 23.1

The loan payable is secured by a registered general security agreement on the property of the Eagle press & Equipment Co. Ltd including accounts receivable and equipment and SBLC by bankers of Isgec Heavy Engineering Limted. Repayments commence on December 17, 2020 at the rate of Canadian dollar 675,000 quarterly principal only with a termination date of August 19, 2024. The loan payable bears interest at Bank's prime rate - 4.042% per annum.

Note 24 : Non - Current financial liabilities - Other financial liabilities (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposit under car loan scheme	**153.54**	158.07
Security deposit - Others	**22.29**	3.05
Total	**175.83**	161.12

Note 25 : Long term provisions (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity	**6.25**	3.13
- Leave encashment	**2,321.11**	2,107.25
- Pension provision	**1,115.34**	1,136.02
	3,442.70	3,246.40
Provision for warranty (refer note 25.1 & 25.2)	**3,483.65**	2,159.52
Total	**6,926.35**	5,405.92

Note 25.1 : Provision for warranty

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Note 25.2 : Movement of provision for warranty (₹ in lakhs)

Nature of provisions	Warranties	
	2018-19	2017-18
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the Year	**15,599.84**	17,886.36
Additional provision made during the year	**4,562.23**	2,512.02
Amount used during the year	**(2,213.66)**	(2,216.87)
Amount reversed during the year	**(4,869.15)**	(2,286.30)
Adjustment due to discounting	**95.23**	(295.37)
Carrying amount at the end of the year	**13,174.49**	15,599.84
Break up of carrying amount at the end of the year		
Long term provisions	**3,483.65**	2,159.52
Short term provisions (refer note 31)	**9,690.84**	13,440.32

Notes to the Consolidated Financial Statements

Note 26 : Other non-current liabilities **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	**25,450.53**	25,301.00
Deferred government grant (refer note 26.1)	**32.63**	35.60
Lease equalisation reserve	**-**	47.34
Total	**25,483.16**	25,383.94

Note : 26.1

"Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 lakhs received free of cost under a scheme of Haryana Government. There are no unfulfilled conditions or other contingencies attached to these grants.

Note 27 : Current financial liabilities - Borrowings **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Working capital demand loan (WCDL) (refer note 27.1, 27.2 & 27.3)	**6,949.72**	2,003.84
Cash credit (refer note 27.2 & 27.4)	**11,622.79**	3,044.08
Packing credit loan from banks (refer note 27.5)		
- In Indian rupees	**6,200.00**	6,050.00
Unsecured		
Working capital demand loan (WCDL) (refer note 27.6)	**-**	1,000.89
Loan from Haryana Government : (Measured at fair value) (refer note 27.7)	**-**	2,220.81
Total	**24,772.51**	14,319.62

27.1 Repayable on demand. Rate of interest varied from 7.35% to 9.15% during the above periods.

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

27.3 WCDL is taken as sub limit under Cash Credit limit.

27.4 Repayable on demand. Rate of interest varied from 8.42% to 10.50% during the above periods.

27.5 Average rate of interest on packing credit loans from Banks is 8.32 % p.a.(previous year 7.62%)

27.6 WCDL is taken at interest rate of 8.15% p.a. from the bank for tenor of 35 days

27.7 Loan from Haryana Government

Haryana Government gave financial assistance of ₹ 4,005 lakhs in the form of interest free loan to clear the outstanding dues of cane growers pertaining to season 2015-16. This loan is measured at fair value after adjusting element of Government grant.This has been fully paid during the year.

Notes to the Consolidated Financial Statements

Note 28 : Current financial liabilities - Trade payable **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of Micro, Small and Medium Enterprises (refer note 28.1)	**1,138.54**	49.79
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises*	**147,090.15**	110,945.12
Total	**148,228.69**	110,994.91

*includes balances with related parties (refer note 45)

Note 28.1

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the group, on the basis of information and records available with the group. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	**1,138.54**	49.79
- interest	**0.87**	-
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	0.01
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act,2006 not paid)	**-**	-
(d) the amount of interest accrued and remaining unpaid at the end of the accounting year	**0.87**	-
(e) the amount of further interest due and payable even in the succeeding year, untill such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	**-**	-

Notes to the Consolidated Financial Statements

Note 29 : Current financial liabilities excluding provisions - Others **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt	**-**	3,089.09
Interest accrued but not due on borrowings	**26.70**	470.10
Unclaimed dividends	**126.90**	168.58
Security deposit - Others	**584.21**	565.07
Expense payable	**1,934.94**	2,032.92
Capital creditors	**667.28**	533.37
Forwards contracts payable	**2,456.42**	1,170.19
Salary payable	**2,846.52**	2,263.82
Managerial /directors remuneration payable	**2,444.73**	1,694.37
Other payables	**137.00**	210.17
Total	**11,224.70**	12,197.68

Note 30 : Other current liabilities **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	**2,157.35**	1,918.25
Unearned revenue	**27,031.89**	-
Advance from customers	**87,652.43**	49,116.38
Deferred Government grants (Refer note 26.1 & 27.7)	**2.97**	49.52
Others	**3,016.19**	2,894.10
Total	**119,860.83**	53,978.25

Note 31 : Current liabilities - Provisions **(₹ in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
-Gratuity	**60.09**	122.19
-Leave encashment	**402.94**	372.30
-Pension provision	**163.08**	194.47
Provision for CSR (refer note 39.1)	**44.95**	13.01
Provision for warranty (refer note 25.1 & 25.2)	**9,690.84**	13,440.32
Total	**10,361.90**	14,142.29

Note 32 : Revenue from operations **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (refer note 32.1)	**449,193.99**	338,187.50
Erection, commissioning and related services	**45,903.27**	28,973.97
Other operating revenue (refer note 32.2)	**9,968.63**	15,424.50
Total	**505,065.89**	382,585.97

Notes to the Consolidated Financial Statements

Note 32.1 : Sale of products

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period 1 April to 30 June 2017 during the previous year ended 31 March 2018 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

Note 32.2 : Other operating revenue **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Commission earned	-	43.37
Export incentives	**4,381.37**	2,585.06
Packing receipts	**78.95**	9.39
Unclaimed balances / liabilities no longer required written back	**2,262.49**	1,244.38
Bad bebt written off now realised	**6.58**	-
Sale of scrap and waste	**1,925.67**	1,348.12
Lease rent receipts (refer note 43)	**2.29**	1.78
Foreign exchange fluctuations	**832.15**	9,826.33
Others	**479.13**	366.07
Total	**9,968.63**	15,424.50

Note 33 : Other income **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest income :		
On bank deposits	**572.67**	739.44
On other deposits and investments	**675.14**	864.32
On financial assets measured at amortised cost	**5.68**	7.88
Total	**1,253.49**	1,611.64
(b) Dividend income on equity investments	**1.84**	36.36
(c) Net gain on sale of investments	**1,794.89**	1,312.75
(d) Other non operating income :		
Gain on investments carried at fair value through profit or loss	**824.50**	2,330.94
Government grant (revenue)	**2,613.76**	-
Government grant-gain on fair valuation of loans received at concessional/ nil rate	**63.98**	194.07
Government grant- amortization of property, plant and equipment	-	2.97
Others	**323.36**	239.23
Total	**6,875.82**	5,727.96

Notes to the Consolidated Financial Statements

Note 34 : Cost of materials consumed **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw material and component consumed	**146,861.32**	110,667.16
Stores consumed	**3,455.49**	5,965.36
Total	**150,316.81**	116,632.52

Note 35 : Changes in inventories of finished goods, stock - in - trade & work - in - progress **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Finished goods	**25,300.00**	43,433.13
Work-in-progress	**33,530.99**	40,783.56
Total	**58,830.99**	84,216.69
Additions - business combinations	**10,465.55**	-
Total	**69,296.54**	84,216.69
Closing stock		
Finished goods	**37,291.41**	25,300.00
Work-in-progress	**52,383.97**	33,530.99
Total	**89,675.38**	58,830.99
Changes in inventory	**(20,378.84)**	25,385.70

Note 36 : Employee benefits expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries & wages	**34,381.14**	31,190.84
Contribution to provident & other funds	**2,565.98**	2,010.97
Staff welfare expenses	**601.98**	799.16
Total	**37,549.10**	34,000.97

Note 36.1 : Additional information as per Ind AS 19, employee benefits

(a) Defined contribution plan:

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plans: **(₹ in lakhs)**

Particulars	2018-19	2017-18
Provident fund	**1,684.02**	1,566.62
Employees state insurance	**26.67**	33.65
Superannuation fund	**51.38**	54.58
Group Gratuity Fund	**637.78**	221.87
Labour welfare fund	**3.08**	3.24
National pension scheme	**163.05**	131.01
Total	**2,565.98**	2,010.97

Notes to the Consolidated Financial Statements

(b) Defined benefits plan:

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

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
i. Change in present value of obligation		
a. Present value of obligation at the beginning of the year	**7,219.31**	7,061.84
b. Interest cost	**558.06**	530.08
c. Current service cost	**605.99**	561.98
d. Benefits paid	**(664.36)**	(702.05)
e. Actuarial (gain) / loss	**(56.91)**	(232.54)
f. Present value of obligation at the end of the year	**7,662.09**	7,219.31
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	**7,441.38**	7,279.90
b. Actual return on plan assets	**555.12**	557.42
c. Contributions	**637.78**	314.52
d. Mortality, admin and FMC charges	**(4.61)**	(8.41)
e. Benefits paid	**(664.42)**	(702.05)
f. Actuarial gain / (loss) on plan assets	**(22.51)**	-
g. Fair value of plan assets at the end of the year	**7,942.74**	7,441.38
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	**7,942.74**	7,441.38
b. Present value of obligation at the end of the year	**7,662.09**	7,219.31
c. Amount recognised in the Balance Sheet	**280.65**	222.06
- Current liability	**60.09**	122.19
- Non current liability	**6.25**	3.13
- Current asset	**346.99**	347.38
iv. Expenses recognised in the statement of profit & loss		
a. Current service cost	**606.05**	561.98
b. Interest cost	**434.50**	411.34
c. Expected return on plan assets	**(451.15)**	(427.81)
d. Actuarial (gain) / loss	**-**	-
e. Expenses recognised in the Profit & Loss	**589.40**	545.51
v. Recognised in other comprehensive income for the year		
a. Net cumulative unrecognized actuarial gain/(loss) opening	**(332.98)**	(573.69)
b. Actuarial gain/(loss) for the year on present benefit obligation	**56.90**	232.54
c. Actuarial gain/(loss) for the year on assets	**(46.70)**	8.17
d. Unrecognized actuarial gain/(loss) at the end of the year	**(322.78)**	(332.98)
vi. Actuarial assumptions		
a. Discount rate (per annum)	**7.32% - 7.66%**	7.60% - 7.80%
b. Rate of escalation in salary (per annum)	**6.50% - 7.50%**	6.00% - 7.50%

Notes to the Consolidated Financial Statements

(c) Amounts for the current and previous period in respect of Gratuity are as follows: **(₹ in lakhs)**

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Defined benefit obligation	**7,662.09**	7,219.31
Plan assets	**7,942.74**	7,441.38
Surplus / (Deficit)	**280.65**	222.06

(d) Maturity profile of defined benefit obligation **(₹ in lakhs)**

Particulars	Gratuity (Funded)	
	2018-19	2017-18
a. Within next twelve months	**1,047.74**	995.51
b. Between one to five years	**1,013.49**	989.93
c. Between five to ten years	**5,600.88**	5,233.86

(e) Sensitivity analysis of the defined benefit obligation **(₹ in lakhs)**

Particulars	Gratuity (Funded)	
	2018-19	2017-18
(a) Impact of the change in discount rate		
Present value of obligation at the end of the period	**7,662.09**	7,219.31
(i) Impact due to increase of 0.50%	**(312.60)**	(293.06)
(ii) Impact due to decrease of 0.50%	**338.56**	317.43
(b) Impact of the change in salary increase		
Present value of obligation at the end of the period	**7,662.09**	7,219.31
(i) Impact due to increase of 0.50%	**337.84**	316.99
(ii) Impact due to decrease of 0.50%	**(314.79)**	(295.35)

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

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

(f) Major category of plan asset (as percentage of total plan asset)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Fund managed by insurer	**100%**	100%

Notes to the Consolidated Financial Statements

(g) Mortality rate

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

Note 37 : Finance costs **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest	**2,283.82**	1,985.61
Other borrowing costs	**270.83**	230.15
Total	**2,554.65**	2,215.76

Note 38 : Depreciation and amortization expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant & equipment	**6,976.36**	6,909.82
Amortisation of intangible assets	**1,271.80**	1,165.17
Total	**8,248.16**	8,074.99

Note 39 : Other expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power & Fuel	**3,721.89**	3,561.88
Other manufacturing expenses	**19,595.91**	16,452.04
Rent	**626.02**	617.30
Repairs to:		
-Plant and machinery	**1,849.73**	1,554.75
-Building	**761.49**	776.23
-Others	**275.23**	648.17
Insurance	**744.26**	602.65
Rates and taxes	**230.92**	107.09
Commission to selling agents and others	**2,049.74**	2,562.34
Royalty	**2,067.78**	491.49
Bad debts written off	**0.04**	0.42
Rebates and discounts	**106.98**	90.94
Electricity and water expenses	**507.80**	442.02
Travelling and conveyance	**5,378.00**	5,116.97
Packing, forwarding & transportation expenses	**18,686.50**	14,245.00
Design & technical expenses	**5,568.67**	6,606.22
Advertising and sales promotion	**154.50**	175.89

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Office & maintenance expenses	**9,783.83**	7,957.74
Legal and professional charges	**4,767.42**	917.88
Adjustment of expected credit loss	**1,110.69**	-
Bank charges	**1,929.34**	1,177.77
Net gain / loss on foreign currency transactions	**587.37**	20.09
Loss / (profit) on sale of property, plant and equipment (net)	**335.81**	85.41
Loss on sales/diminution in value of stores	**8.36**	7.55
Non executive director's remuneration / sitting fee	**20.57**	12.25
Foreign exchange fluctuations	**825.18**	1,507.23
Donation	**1.57**	2.00
Payment to auditor		
- as statutory auditor	**27.53**	21.86
- for taxation matters	**0.32**	0.30
- for other services	**7.49**	0.65
- for reimbursement of expenses	**4.34**	3.74
Managerial remuneration	**2,587.21**	1,835.05
Corporate social responsibility expenses (refer note 39.1)	**588.10**	527.55
Total	**84,910.59**	68,128.47

Note 39.1 : Corporate social responsibility

Gross amount required to be spent by the group during the year is ₹ 612.10 lakhs. The group was required to spend the sum of ₹ 32.60 lakhs for the F.Y 2017-18 and ₹ 579.50 lakhs for the F.Y 2018-19 totaling to ₹ 612.10 lakhs. An amount of ₹ 556.15 lakhs has been spent. The balance amount of ₹ 55.95 lakhs will be spent in the next year.

Note 40 : Tax expenses

a. Income tax expense **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Current tax		
Current tax on profit for the period	**8,714.15**	9,253.41
Adjustments for current tax of prior periods	**(0.02)**	0.01
Tax of earlier years	**(0.57)**	-
Total Current tax expense	**8,713.56**	9,253.42
(ii) Deferred tax expenses	**(421.00)**	(792.03)
(iii) MAT credit entitlement	**-**	(196.43)
Total Income tax Expense	**8,292.56**	8,264.96

Notes to the Consolidated Financial Statements

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 34.944% and the reported tax expense in Statement of Profit and Loss are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before income tax	**22,694.14**	25,105.64
Tax at statutory income tax rate	**7,831.92**	9,496.56
Additional deduction allowed in Income Tax Act for certain expenditure	**(41.66)**	(223.87)
Expenditure for which deduction is not allowed under Income Tax Act	**354.82**	231.69
Differential tax rate on fair value of investments	**653.48**	199.13
Differential tax rate on sale of investments	**(483.64)**	(382.62)
Tax on exempt income	**(69.39)**	(814.05)
Change in tax rate for future period considered for deferred tax	**67.45**	(8.70)
Other deductions	**(20.42)**	(233.18)
Total	**8,292.56**	8,264.96

Note 41 : Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Nominal value of equity share (In ₹)	**1.00**	1.00
Number of weighted equity shares outstanding during the year for the purpose of calculation of earning per share	**73,529,510**	73,529,510
Profit / (loss) for the year attributable to owners of the parent (₹ in lakhs)	**14,276.44**	15,727.85
Basic earning per share (In ₹)	**19.42**	21.39
Diluted earning per share (In ₹)	**19.42**	21.39

Note :

During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019. Previous year earning per share (EPS) has been derived on nominal value of share ₹ 1 each.

Notes to the Consolidated Financial Statements

Note 42 : Contingent liabilities and capital commitments **(₹ in lakhs)**

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
I Contingent Liabilities not provided for:		
a) Claims against the Company not acknowledged as debts [including claims as per para (c)]	**43,188.33**	38,049.58
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	**36,999.25**	36,476.52

c) The Company is executing contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in the Philippines. During the construction there was a manifestation of a number of issues at the site that were outside the Company's control. As a result, there were costs overrun and delay to the completion of the project past the contractual delivery date. The Company notified the customer that these risks were to their account under the contract. The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. On 30 January 2018, when the project was substantially complete, the customer wrongfully invoked the Bank Guarantees amounting to about 134 crores and terminated the contract, claiming damages.

The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per contract with the customer.

The legal advice is that the Company has good prospect of success in proving its claims against the customer and accordingly no provision has been made in the books of accounts.

II Capital commitments **(₹ in lakhs)**

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**3,400.39**	3,081.70

Note 43 : Leases

A. Company as a lessee

The group has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

(₹ in lakhs)

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
a) Residential premises	**131.87**	197.06
b) Commercial premises	**489.78**	415.65
c) Plant and machinery	**4.37**	4.59
Total	**626.02**	617.30

Notes to the Consolidated Financial Statements

The Company has a non-cancelable lease of 36 months for office premises at Pune. The total of future minimum lease payment for each of the following periods is as under:

(₹ in lakhs)

Particulars	**Year 2019**	**Year 2020**
Minimum lease payment	31.62	21.08

B. Company as a Lessor

The group has given on lease Building under operating lease. In accordance with Indian Accounting Standard (Ind AS-17) 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 lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
a) Not later than one year	**61.05**	0.91
b) Later than one year and not later than five years	**25.27**	4.02
c) Later than five years	**12.85**	3.94
Total	**99.17**	8.87

Note 44 : Segment Information

Operating Segment

Effective from 1st April, 2018, Chief Operating Decision Maker (CODM) of the Company is monitoring the performance of the Company in the following Segments:-

a) Manufacturing of Machinery and Equipment Segment

b) Engineering, Procurement and Construction Segment

c) Sugar

Composition of the Segments consists of:

Manufacturing of Machinery & Equipment Segment comprising manufacture of Process Plant Equipment, Presses, Castings, Boiler Tubes & Panels and Containers.

Engineering, Procurement and Construction Segment consists of Projects and Turnkey Solutions for Sugar Plants, Distilleries, Power Plants, Boilers, Air Pollution Control Equipment, Buildings and Factories.

Sugar consists of manufacture and sale of sugar and its by-products.

The Segments reported are as per Ind AS 108 "Operating Segments". The identification of Operating Segments is consistent with performance assessment by the Management.

In respect of these Segments for the Company, sales and margins do not accrue uniformly during the year.

Identification of Segments

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating 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.

Notes to the Consolidated Financial Statements

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

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.

Inter Segment transfer:

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

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.

1. Segment Revenue **(₹ in lakhs)**

Particulars	**2019**			2018		
	External	**Inter Segment**	**Total**	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	**125,676.40**	**29,558.82**	**155,235.22**	129,788.97	17,276.71	147,065.68
Engineering, Procurement and Construction	**323,542.38**	**240.81**	**323,783.19**	172,525.39	-	172,525.39
Sugar	**55,830.30**	**-**	**55,830.30**	80,247.99	746.14	80,994.13
Unallocated	**16.81**	**-**	**16.81**	23.62	-	23.62
Elimination	**-**	**(29,799.63)**	**(29,799.63)**	-	(18,022.85)	(18,022.85)
Segment Total	**505,065.89**	**-**	**505,065.89**	382,585.97	-	382,585.97

2. Segment Result (Profit/(Loss) before interest and tax) **(₹ in lakhs)**

Particulars	**2019**	2018
Manufacturing of Machinery & Equipment	**14,268.68**	16,821.46
Engineering, Procurement and Construction	**11,822.73**	6,347.81
Sugar	**1,996.92**	7,964.28
Unallocated	**(497.50)**	166.36
Operating Profit Before Interest and Tax	**27,590.83**	31,299.91
Less: Interest Expense	**(2,283.82)**	(1,985.61)
Inter Segment Interest	**(3,866.36)**	(5,820.30)
Add: Interest Income	**1,253.49**	1,611.64
Profit Before Tax	**22,694.14**	25,105.64
Tax Expense	**(8,292.56)**	(8,264.96)
Profit after tax	**14,401.58**	16,840.68

Notes to the Consolidated Financial Statements

3. Segment Assets and Liabilities **(₹ in lakhs)**

Particulars	Segment Assets		Segment Liabilities	
	2019	2018	**2019**	2018
Manufacturing of Machinery & Equipment	**168,267.54**	124,248.60	**128,502.84**	97,943.60
Engineering, Procurement and Construction	**297,672.27**	225,723.21	**242,014.21**	170,322.96
Sugar	**53,413.51**	39,837.80	**31,953.16**	19,038.71
Unallocated Corporate Assets	**52,133.38**	69,703.58	**10,331.55**	26,911.73
Total	**571,486.70**	459,513.19	**412,801.76**	314,217.00
Less: Inter Segment assets/liabilities	**(58,660.11)**	(76,639.81)	**(58,660.11)**	(76,639.81)
Total	**512,826.59**	382,873.38	**354,141.65**	237,577.19

4. Other Information **(₹ in lakhs)**

Particulars	Capital Expenditure		Depreciation and Amortisation	
	2019	2018	**2019**	2018
Manufacturing of Machinery & Equipment	**17,186.05**	6,878.52	**6,603.59**	6,286.42
Engineering, Procurement and Construction	**895.52**	662.96	**840.58**	1,090.04
Sugar	**766.45**	1,733.96	**617.54**	560.65
Unallocated	**799.16**	1,116.72	**186.45**	137.88

5. Geographical Information

a) The Company is domiciled in India. The amount of its revenue is broken on the basis of location of customer.

(₹ in lakhs)

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Revenue from external customers		
- Within India	**387,925.76**	287,411.36
- Outside India	**117,140.13**	95,174.61
Total	**505,065.89**	382,585.97

b) Assets are allocated based on the operation and physical location of the assets

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Non-current assets		
- Within India	**68,368.30**	66,444.95
- Outside India	**6,882.48**	15.81
Total	**75,250.78**	66,460.76

Note 45 : Related party transactions

In accordance with the Accounting Standard on “Related Party Disclosures” (Ind AS-24), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the Management, are as follows:

Notes to the Consolidated Financial Statements

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	Whole-time Director
	Mr. Ranjit Puri	Chairman
	Mr. Vinod Kumar Nagpal	Non Executive Director
	Mr. Tahir Hasan	Non Executive Director
	Mr. Arun Kathpalia	Non Executive Director
	Mr. Vinod Kumar Sachdeva	Non Executive Director
	Mr. Sidharth Prasad	Non Executive Director
	Mr. Vishal Kirti Keshav Marwaha	Non Executive Director
	Mrs. Shivani Hazari	Non Executive Director
	Mr. Sudershan Kumar Khorana	Company Secretary
	Mr. Kishore Chatnani	Chief Financial Officer

Trust under common control

S.no	Name of the entity in the group	Principal place of operation / Country of incorporation	Principal Activities
1	Saraswati Sugar Syndicate Ltd. Employee Provident Fund Trust	India	Company's employee provident fund trust
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
3	Uttar Pradesh Steels Employee Group Gratuity Scheme	India	Company's employee gratuity trust
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
5	The Saraswati Industrial Syndicate Ltd. Employees Group Gratuity Scheme	India	Company's employee gratuity trust
6	Saraswati Industrial Syndicate Ltd. Superannuation Scheme	India	Company's employee superannuation trust
7	Isgec John Thompson staff Provident Fund	India	Company's employee superannuation trust
8	Saraswati Sugar Mills Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
9	Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
10	The Saraswati Syndicate Employees Group Gratuity cum Life Insurance Scheme	India	Company's employee gratuity trust

Notes to the Consolidated Financial Statements

II Related Party Transactions **(₹ in lakhs)**

S.No.	Nature of Transaction/Relationship	Year ended March 31, 2019	Year ended March 31, 2018
a)	**Purchase of goods**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**448.54**	344.96
	—Key management personnel		
	Mr. Aditya Puri (Managing Director)	**2.88**	4.79
	—Relatives of Key management personnel		
	Mr. Ranjit Puri (Chairman)	**2.52**	4.49
	Total	**453.94**	354.24
b)	**Purchase of fixed Assets**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**-**	2.58
	Total	**-**	2.58
c)	**Rendering of services**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**12.30**	11.61
	Total	**12.30**	11.61
d)	**Services received**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**3.06**	11.87
	—Relatives of Key management personnel		
	Mr. Ranjit Puri (Chairman)	**0.64**	0.25
	Total	**3.70**	12.12
e)	**Rent received**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**1.67**	0.40
	Total	**1.67**	0.40
f)	**Rent Paid**		
	—Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	**63.62**	73.38
	Total	**63.62**	73.38

Notes to the Consolidated Financial Statements

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	Year ended March 31, 2019	Year ended March 31, 2018
g)	**Key management personnel compensation**		
	Mr. Aditya Puri	**1,294.00**	917.92
	Mrs. Nina Puri	**1,294.00**	917.92
	Mr. Sudershan Kumar Khorana	**128.55**	126.07
	Mr. Kishore Chatnani	**88.00**	78.78
	Total	**2,804.55**	2,040.69
	The post employment benefits exclude provision for gratuity and leave encashment which can not be separately identified from the composite amount as advised by the actuary.		
h)	**Key management personnel remuneration / sitting fees**	**Year ended March 31, 2019**	Year ended March 31, 2018
	Mr. Ranjit Puri	**2.95**	1.86
	Mr. Vinod Kumar Nagpal	**3.25**	1.93
	Mr. Tahir Hasan	**2.75**	1.52
	Mr. Arun Kathpalia	**1.65**	1.69
	Mr. Vinod Kumar Sachdeva	**3.05**	1.86
	Mr. Sidharth Prasad	**2.50**	1.27
	Mr. Vishal Kirti Keshav Marwaha	**2.75**	1.52
	Mrs. Shivani Hazari	**1.03**	-
	Total	**19.93**	11.65
i)	**Contribution to trust for post employment benefit**		
	Name of trust		
	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	**1,033.68**	937.92
	Isgec Employees Group Gratuity cum Life Assurance Scheme	**542.60**	156.38
	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	**47.09**	50.31
	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	**0.18**	0.17
	The Saraswati Syndicate Employees Group Gratuity cum Life Insurance Scheme	**6.72**	28.94
	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	**0.09**	0.08
	Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	**41.85**	63.72
	Saraswati Industrial Syndicate Limited Superannuation Scheme	**54.38**	57.58
j)	**Amount payable as at year end**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**12.08**	2.73
	—Key management personnel		
	Mr. Aditya Puri (Managing Director)	**1,219.92**	844.94
	Mrs. Nina Puri (Wholetime Director)	**1,223.74**	847.94
	Mr. Ranjit Puri (Chairman)	**0.79**	0.45

Notes to the Consolidated Financial Statements

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	Year ended March 31, 2019	Year ended March 31, 2018
	Mr. Vinod Kumar Nagpal	**0.23**	0.23
	Mr. Tahir Hasan	**0.23**	0.23
	Mr. Arun Kathpalia	**0.23**	0.23
	Mr. Vinod Kumar Sachdeva	**0.23**	0.23
	Mr. Sidharth Prasad	**0.23**	0.23
	Mr. Vishal Kirti Keshav Marwaha	**0.23**	0.23
	Mrs. Shivani Hazari	**0.03**	-
	Total	**2,457.94**	**1,697.44**
k)	**Amount receivable as at year end**		
	—Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Limited	**-**	25.00
	Blue Water Enterprises	**15.90**	10.11
	Total	**15.90**	35.11
l)	**Terms and Conditions** The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and the settlement will occur in cash.		

Note 46 : Capital management

(a) The Company monitors capital using gearing ratio, which is net debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt	**30,370.15**	17,408.71
Less: Cash & cash equivalent	**10,844.13**	17,968.23
Net debt	**19,526.02**	(559.52)
Total equity	**151,519.96**	138,112.87
Total equity and net debt	**171,045.98**	137,553.35
Net debt to equity ratio (Gearing Ratio)	**11.42%**	-0.41%

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23 and 27.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call

Notes to the Consolidated Financial Statements

loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current year and previous years

(c) Dividends **(₹ in lakhs)**

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Final dividend	**122.50**	1,241.66
Interim dividend	**468.40**	1,625.98
Dividend proposed but not recognised in the books of accounts*	**1,225.44**	122.50

*The proposed dividend is subject to the approval of shareholders in the ensuing general meeting.

Note: During the current year, equity shares of ₹ 10 each were sub-divided into 10 equity shares of ₹ 1 each pursuant to an ordinary resolution passed by the shareholders by way of Postal Ballot on March 16, 2019.

Note 47 : Financial instruments - accounting classification and fair value measurement

Financial instruments by category **(₹ in lakhs)**

Particulars	As at March 31, 2019			As at March 31, 2018		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
Financial Asset						
Investments						
-Investments in equity instruments	**-**	**-**	**0.63**	-	279.69	523.08
-Investments in debentures or bonds	**-**	**2,741.11**	**-**	-	9,398.30	-
-Investments in mutual funds	**-**	**10,484.39**	**-**	-	23,139.30	-
-Other investments	**-**	**2,320.37**	**-**	-	3,783.24	-
Trade receivables	**193,672.06**	**-**	**-**	117,231.14	-	-
Loans	**3,221.88**	**-**	**-**	3,347.89	-	-
Cash and cash equivalents	**10,844.13**	**-**	**-**	17,968.23	-	-
Bank balances	**3,193.66**	**-**	**-**	6,058.46	-	-
Foreign currency forward contracts	**-**	**2,491.12**	**-**	-	1,166.56	-
Others	**4,237.20**	**-**	**-**	1,822.86	-	-
Total Financial Assets	**215,168.93**	**18,036.99**	**0.63**	146,428.58	37,767.09	523.08
Financial Liabilities						
Borrowings	**30,370.15**	**-**	**-**	17,408.71	-	-
Trade payables	**148,228.69**	**-**	**-**	110,994.91	-	-
Forward contracts	**-**	**2,456.42**	**-**	-	1,170.19	-
Other Financial Liabilities	**8,944.11**	**-**	**-**	8,099.52	-	-
Total Financial Liabilities	**187,542.95**	**2,456.42**	**-**	136,503.14	1,170.19	-

* FVTPL - Fair Value Through Profit or Loss

FVTOCI - Fair Value Through Other Comprehensive Income

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining

Notes to the Consolidated Financial Statements

fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

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

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

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

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

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

(₹ in lakhs)

Particulars	**Fair Value Measurement using**			
	Carrying Value March 31, 2018	**Quoted price in Active Market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
(A) Financial Assets and Liabilities at fair value through profit or loss				
Financial Assets				
Investments				
- Investments in equity instruments	279.69	279.69	-	-
- Investments in debentures or bonds	9,398.30	9,398.30	-	-
- Investments in mutual funds	23,139.30	23,139.30	-	-
- Other investments	3,783.24	-	3,783.24	-
Financial Investment at FVOCI	523.08	523.08	-	-
Foreign currency forward contracts	1,166.56	-	1,166.56	-
Total	38,290.17	33,340.37	4,949.80	-
Financial Liabilities				
Forward contracts	1,170.19	-	1,170.19	-
Total	1,170.19	-	1,170.19	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018				
Financial Assets				
Loan to employees	1,493.46	-	-	1,493.46
Security deposit	1,828.80	-	-	1,828.80
Total	3,322.26	-	-	3,322.26
Financial Liabilities				
Borrowings	17,408.71	-	-	17,408.71
Trade payables	110,994.91	-	-	110,994.91
Other financial liabilities	8,099.52	-	-	8,099.52
Total	136,503.14	-	-	136,503.14

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2019	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets and Liabilities at fair value through profit or loss				
Financial Assets				
Investments				
- Investments in equity instruments	-	-	-	-
- Investments in debentures or bonds	2,741.11	2,741.11	-	-
- Investments in mutual funds	10,484.39	10,484.39	-	-
- Other investments	2,320.37	-	2,320.37	-
Financial Investment at FVOCI	0.63	0.63	-	-
Foreign currency forward contracts	2,491.12	-	2,491.12	-
Total	18,037.62	13,226.13	4,811.49	-
Financial Liabilities				
Forward contracts	2,456.42	-	2,456.42	-
Total	2,456.42	-	2,456.42	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019				
Financial Assets				
Loan to employees	1,330.28	-	-	1,330.28
Security deposit	1,848.82	-	-	1,848.82
Total	3,179.10	-	-	3,179.10
Financial Liabilities				
Borrowings	30,370.15	-	-	30,370.15
Trade payables	148,228.69	-	-	148,228.69
Other financial liabilities	11,400.53	-	-	11,400.53
Total	189,999.37	-	-	189,999.37

(ii) Valuation techniques used to determine fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

> the use of quoted market prices or dealer quotes for similar financial instruments.

> the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

Notes to the Consolidated Financial Statements

The following method and assumptions are used to estimate fair values:

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short term nature

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowings fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

Note 48 : Financial Risk Management

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include investments in marketable securities, loans , trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Company's activities are expose to **Market risk, Credit risk and Liquidity risk**.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31st March 2019 and 31st March 2018.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Variable rate borrowings	**11,622.79**	3,044.08
Fixed rate borrowings	**18,747.36**	14,364.63
Total	**30,370.15**	17,408.71

Notes to the Consolidated Financial Statements

(ii) As at the end of reporting period, the Company had the following variable rate borrowings outstanding:

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Loans repayable on demand (Cash Credit)	9.91%	11,622.79	38.27%	10.84%	3,044.08	17.49%
External Commercial Borrowings (including USD_INR Hedging Cost)	-	-	-	11.20%	484.75	2.78%
Interest rate swaps(notional principal amount)	-	-	-	-	(484.75)	-
Net exposure to cash flow interest rate risk		11,622.79			3,044.08	

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
INR	+50	+50	58.11	15.22
	- 50	- 50	(58.11)	(15.22)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and the Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Group hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

(₹ in lakhs)

Foreign currency exposure as at March 31, 2019	USD	Euro	JPY	Others	Total
Trade receivables	54,735.03	2,947.98	-	8.96	57,691.97
Bank balances in current accounts and term deposits accounts	48.68	0.01	-	2.66	51.35
Trade payables	2,204.34	549.26	965.92	59.59	3,779.11
Hedged portion	52,482.42	3,428.35	929.55	59.59	56,899.91
Net exposure to foreign currency risk (assets)	4,505.63	68.90	36.37	11.62	4,622.52

Notes to the Consolidated Financial Statements

Foreign currency exposure as at March 31, 2018	USD	Euro	JPY	Others	Total
Trade receivables	45,252.29	2,920.48	-	4.57	48,177.34
Loans and other advances	-	-	-	-	-
ECB loans	484.75	-	-	-	484.75
Interest on ECB loan	4.16	-	-	-	4.16
Bank balances in current accounts and term deposits accounts	334.31	0.01	-	2.46	336.78
Trade payables	1,702.35	255.39	635.69	-	2,593.43
Hedged portion	47,289.97	2,925.25	230.84	2.46	50,448.52
Net exposure to foreign currency risk (liabilities)	487.42	112.13	404.85	4.57	1,008.97

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

(₹ in lakhs)

Particulars	**2018-19**		2017-18	
	1% increase	**1% decrease**	1% increase	1% decrease
USD	**45.06**	**-45.06**	4.87	-4.87
Euro	**0.69**	**-0.69**	1.12	-1.12
JPY	**0.36**	**-0.36**	4.05	-4.05
Others	**0.12**	**-0.12**	0.05	-0.05

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

(c) Price Risk

The Group's exposure to price risk arises from the investment held by the Group . To manage its price risk arising from investments in marketable securities, the Group diversifies its portfolio and is done in accordancy with the Group policy. The Group's major investments are actively traded in markets and are held for short period of time. Therefore no sensitivity is provided for the same.

II. Credit risk

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

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

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

Notes to the Consolidated Financial Statements

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.

(iv) Significant increase in credit risk and other financial instruments of the same counterparty.

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The group's major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period. Other loans are majorly provided to the subsidiaries and employee which have very minimal risk of loss.

Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2018					
Gross Carrying Amount	74,340.39	26,087.24	6,567.43	10,949.66	117,944.72
Expected Credit Loss	-	16.12	204.02	493.44	713.58
Carrying Amount (net of impairment)	74,340.39	26,071.12	6,363.41	10,456.22	117,231.14
As at March 31, 2019					
Gross Carrying Amount	115,547.59	38,750.09	18,003.62	23,143.00	195,444.30
Expected Credit Loss	-	105.83	475.71	1,190.70	1,772.24
Carrying Amount (net of impairment)	115,547.59	38,644.26	17,527.91	21,952.30	193,672.06

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	ECL for Trade Receivables
As at April 1, 2017	**788.93**
Provided during the year	-
Amounts written off	-
Reversal of provisions	(75.35)
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 2018	**713.58**
Provided during the year	1,104.29
Amounts written off	-
Reversal of provisions	(45.63)
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 2019	**1,772.24**

III. Liquidity Risk

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

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

(₹ in lakhs)

As at March 31, 2019	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	30,370.15	11,622.79	13,149.72	5,597.64	30,370.15
Trade payables	148,228.69	-	148,228.69	-	148,228.69
Other liabilities	11,400.53	-	11,224.70	175.83	11,400.53
Total	**189,999.37**	**11,622.79**	**172,603.11**	**5,773.47**	**189,999.37**

(₹ in lakhs)

As at March 31, 2018	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	17,408.71	3,044.08	14,364.63	-	17,408.71
Trade payables	110,994.91	-	110,994.91	-	110,994.91
Other liabilities	8,121.61	-	7,960.49	161.12	8,121.61
Total	**136,525.23**	**3,044.08**	**133,320.03**	**161.12**	**136,525.23**

Notes to the Consolidated Financial Statements

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Bank overdraft and other facilities	**48,892.49**	47,686.19

Note 49 : 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:-

S.No.	**Particulars**	**Description**					
a)	**Products covered for Cost Audit**	Ingots and Manufactured items of Engineering Machinery		Sugar		Other Machinery	
b)	**Full Particulars of Cost Auditor** For the year ended March 31, 2019	M/s K. C. Kohli & Co. Cost Accountants B-92, Subhadra Colony, Sarai Rohilla, Delhi - 110 035		M/s K. C. Kohli & Co. Cost Accountants B-92, Subhadra Colony, Sarai Rohilla, Delhi - 110 035		M/s K. C. Kohli & Co. Cost Accountants B-92, Subhadra Colony, Sarai Rohilla, Delhi - 110 035	
	For the year ended March 31, 2018	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		M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3, Sector-22 Gurgaon - 122 015, Haryana	
c)	**Filling of Cost Audit Report**	**Year ended 31.03.2019**	Year ended 31.03.2018	**Year ended 31.03.2019**	Year ended 31.03.2018	**Year ended 31.03.2019**	Year ended 31.03.2018
	i) Due Date of Filling of Cost Audit Report	**27.09.2019**	27.09.2018	**27.09.2019**	27.09.2018	**27.09.2019**	27.09.2018
	ii) Actual Date of Filling Cost Audit Report	**Not Yet Due**	31.08.2018	**Not Yet Due**	28.08.2018	**Not Yet Due**	25.09.2018

Notes to the Consolidated Financial Statements

Note 50 : Interest in other entities

Summarised financial information of subsidiaries having material non-controlling interests is as follows:-

(₹ in lakhs)

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec Foster Wheeler Boilers Limited	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Country of Incorporation	**India**		**India**		**India**		**India**	
Assets								
Non-Current Assets	**5,336.24**	4,791.02	**38.64**	10.57	**14.57**	14.49	**43.39**	47.44
Current Assets	**26,103.26**	18,671.59	**1,392.39**	745.71	**2,170.93**	384.62	**486.67**	356.10
Total	**31,439.50**	23,462.61	**1,431.03**	756.28	**2,185.50**	399.11	**530.06**	403.54
Liabilities								
Non-Current Liabilities	**627.35**	357.73	**4.29**	-	**2.70**	0.07	**5.48**	3.13
Current Liabilities	**17,132.34**	9,332.06	**1,085.15**	572.56	**2,021.89**	237.88	**84.47**	98.99
Total	**17,759.69**	9,689.79	**1,089.44**	572.56	**2,024.59**	237.95	**89.95**	102.12
Equity	**13,679.81**	13,772.82	**341.59**	183.72	**160.91**	161.16	**440.11**	301.42
Percentage of ownership held by non-controlling interest	**49.00%**	49.00%	**49.00%**	49.00%	**49.00%**	49.00%	**49.00%**	49.00%
Accumulated non controlling interest	**6,703.11**	6,748.68	**167.38**	90.02	**78.84**	78.97	**215.65**	147.70
Revenue	**22,487.11**	44,193.77	**2,926.53**	1,473.66	**1,688.82**	156.77	**648.88**	632.52
Net Profit/ (loss)	**196.12**	2,129.88	**157.87**	83.96	**(0.25)**	(38.70)	**138.13**	95.94
Other Comprehensive Income	**8.01**	40.45	**-**	-	**-**	-	**0.55**	0.11
Total Comprehensive Income	**204.12**	2,170.33	**157.87**	83.96	**(0.25)**	(38.70)	**138.68**	96.05
Profit/(loss) allocated to Non controlling Interests	**100.02**	1,063.46	**77.36**	41.14	**(0.12)**	(18.96)	**67.95**	47.06
Net cash inflow/(outflow) from operating activities	**(1,421.58)**	10,281.30	**(262.92)**	249.32	**(219.06)**	46.29	**174.34**	23.40
Net cash inflow/(outflow) from investing activities	**(1,286.94)**	(990.81)	**(16.50)**	(10.59)	**6.46**	10.23	**(122.69)**	(58.43)
Net cash inflow/(outflow) from financing activities	**1,949.62**	(8,550.04)	**280.31**	(236.27)	**-**	-	**-**	-
Net cash inflow/(outflow)	**(758.89)**	740.45	**0.88**	2.45	**(212.60)**	56.52	**51.66**	(35.03)

Notes to the Consolidated Financial Statements

Note 51 : Additional information pursuant to General Instructions for the preparation of Consolidated Financial statements as per Schedule III of the Companies Act, 2013

(₹ in lakhs)

Name of the Entity	Net assets (Total assets minus Total liabilities)		Share in profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Isgec Heavy Engineering Limited	84.90%	134,717.22	89.88%	12,831.74	-4.28%	18.22	92.78%	12,849.96
Subsidiaries								
Indian								
Isgec Covema Limited	0.15%	245.55	-0.01%	(1.23)	0.00%	-	-0.01%	(1.23)
Isgec Exports Limited	0.08%	119.99	0.03%	4.86	0.00%	-	0.04%	4.86
Isgec Engineering & Projects Ltd.	0.25%	400.85	-0.01%	(1.18)	0.00%	-	-0.01%	(1.18)
Saraswati Sugar Mills Limited	13.52%	21,460.35	6.56%	936.91	64.70%	(275.69)	4.77%	661.24
Freelook Software Private Limited	0.49%	782.74	0.01%	1.70	0.00%	-	0.01%	1.70
Isgec Hitachi Zosen Ltd.	8.62%	13,679.81	1.37%	196.12	-2.88%	12.28	1.50%	208.40
Isgec Foster Wheeler Boilers Private Ltd.	0.28%	440.11	0.97%	137.92	-0.18%	0.76	1.00%	138.68
Isgec Redecam Enviro Solutions Private Limited	0.10%	160.91	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
Isgec Titan Metal Fabricators Private Ltd.	0.22%	341.59	1.11%	157.87	0.00%	-	1.14%	157.87
Foreign								
Eagle Press & Equipment Co. Limited	1.65%	2,616.67	2.05%	292.62	41.65%	(177.50)	0.83%	115.12
Non controlling interest in all subsidiaries	0.00%	-	-0.88%	(125.14)	0.98%	(4.19)	-0.93%	(129.33)
Consolidation adjustments	-10.26%	(16,280.85)	-1.09%	(155.50)	0.00%	-	-1.11%	(155.50)
Total	100%	158,684.94	100%	14,276.44	100%	(426.12)	100%	13,850.33

Notes to the Consolidated Financial Statements

Note 52 : Disclosure under Ind AS 115 "Revenue from contracts with customers"

a. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Type of services or goods		
Revenue from Manufacturing of Machinery & Equipment	**155,235.22**	147,065.68
Revenue from Engineering, Procurement and Construction	**293,983.56**	154,502.54
Sugar	**55,830.30**	80,994.13
Others	**16.81**	23.62
Total revenue from sale of services or goods	**505,065.89**	382,585.97
Revenue from contracts with customers		
Revenue from customers based in India	**387,925.76**	287,411.36
Revenue from customers based outside India	**117,140.13**	95,174.61
Total revenue from contracts with customers	**505,065.89**	382,585.97
Timing of revenue recognition		
Goods and services transferred over time	**293,983.56**	154,502.54
Goods and services transferred at a point in time	**211,082.33**	228,083.43
	505,065.89	382,585.97

b. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	**193,672.06**	117,231.14
Contract Assets	**9,012.09**	3,078.16
Contract Liabilities	**140,134.85**	74,417.38

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 1,764.88 lakhs was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

Notes to the Consolidated Financial Statements

c. Set out below is the amount of revenue recognised from

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amounts included in contract liabilities at the beginning of the year	**74,417.39**	63,487.77
Amount received against contract liability during the year	**212,746.70**	114,843.41
Performance obligations satisfied during the year	**147,029.24**	103,913.80
Amounts included in contract liabilities at the end of the year	**140,134.85**	74,417.38

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Disclosure of the entity's remaining performance obligations:		
(a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	**678,897.07**	498,472.16
(b) When the entity expects to recognise as revenue		
Within one year	**55.71%**	54.18%
Within two years	**39.36%**	36.39%
Within five years	**4.93%**	9.43%
Thereafter	**-**	-

Note 53 : Business Combinations (disclosure pursuant to Ind AS 103)
Disclosures pursuant to Ind AS 103 "Business Combinations":

a. Acquisition of Eagle Press & equipment Co Ltd

b. (i) On September 18, 2018, Isgec Canada Inc. a wholly owned subsidiary incorporated in Canada acquired the business of Eagle Press & Equipment Co. Ltd alongwith its associate Companies. Pursuant to acquisition, the following entities were amalgamated into an amalagamated entity named, ISGEC Canada Inc.

- ISGEC Canada Inc.
- 2391472 Ontario Ltd.
- 2606887 Ontario Inc.
- 260889 Ontario Inc.
- Eagle Press & Equipment Co. Ltd.

All the assets and liabilities of above Companies were transferred to the resulting Company Isgec Canada Inc. Eagle Press America Inc. and 2191375 Ontario Inc. became wholly owned subsidiaries of Isgec Canada Inc.

On October 17, 2018, the name of the Company was changed from ISGEC Canada Inc. to Eagle Press & Equipment Co. Ltd.

Notes to the Consolidated Financial Statements

The effective closing was on September 18, 2018 for a purchase consideration of ₹ 7888.18 lakhs ($14,189,928) plus variable payments to be made over next 2 years subject to certain milestones being achieved. The aggregate purchase consideration shall not exceed ₹ 11,395.95 lakhs ($20,500,000) adjusted by any increase/decrease in net retained earnings of ₹ 1945.65 lakhs ($3,500,000) as on the date of closing. The Company accounted the acquisition by following the purchase method of accounting wherein the total purchase consideration was allocated to all acquired assets and assumed liabilities. The purchase price allocation ('PPA') was undertaken to assess the fair value of assets and liabilities acquired in the acquisition.

a. Purchase consideration **(₹ in lakhs)**

Particulars	Amount
Cash and cash equivalents	7,888.18
Total	**7,888.18**
Assets acquired and liabilities recognised on the date of acquisition are as follows	
ASSETS	
Current assets:	
Cash and cash equivalents	**3,388.99**
Trade receivables	**1,742.46**
Inventory	**141.61**
Cost and Earnings in excess of billings	**1,148.03**
Prepaids and other assets	**124.47**
Total	**6,545.56**
Capital Assets:	
Land and building	**2,780.06**
Vehicles, Computers and other assets	**126.58**
Machinery and Equipment	**1,009.53**
Total	**3,916.17**
Identifiable Intangible assets:	
Trade mark	**983.94**
Technology	**678.20**
Goodwill	**1,497.59**
Total	**3,159.73**
Total Assets	**13,621.46**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Amount
Liabilities	
Trade payables	**3,416.24**
Billings in excess of cost plus earnings	**2,102.75**
Income taxes payable	**214.29**
Total	**5,733.28**
Total net identifiable assets acquired	**7,888.18**
Goodwill	
Goodwill arising from the acquisition has been determied as follows:	
Consideration transferred	**7,888.18**
Fair value of net identifiable assets	**6,390.59**
Goodwill	**1,497.59**

Note 54 : Revenue expenditure on Research & Development **(₹ in lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries & wages	**150.05**	109.71
Contribution to Provident & other Funds	**8.26**	6.11
Others	**36.81**	14.65
Total	**195.12**	130.47

Note 55 : Contribution to political parties during the year 2018-19 is ₹ Nil (previous year: ₹ Nil)

As per our report of even date.
for S C V & Co. LLP
Chartered Accountants
Firm Regn. No.000235N / N500089

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla
Partner
M.No. 087010
Place : Noida
Dated : May 29, 2019

S.K. Khorana
Executive Director & Company Secretary
M.No.1872

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

The disclosure under first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in lakhs)

Part " A" : Subsidiaries

	Description	2018-19										2017-18								
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Limited***	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	18/09/2018	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017
3	Reporting Period	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2019"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"	"Year Ended March 31, 2018"
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	2,501.55	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00
6	Reserves & surplus	45.55	109.99	20,750.36	0.85	780.27	3,679.81	240.11	241.59	(39.09)	115.12	46.78	105.13	20,089.10	2.03	778.57	3,772.82	101.43	83.72	(38.84)
7	Total Assets	250.40	120.29	53,413.51	401.22	783.09	31,439.50	530.06	1,431.05	2,185.50	13,862.61	253.16	116.30	39,837.80	402.27	781.41	23,462.61	403.54	756.28	399.11
8	Total Liabilities	4.85	0.30	31,953.15	0.38	0.35	17,759.68	89.94	1,089.44	2,024.59	11,245.94	6.38	1.16	19,038.71	0.24	0.37	9,689.80	102.11	572.56	237.95
9	Investments	-	-	-	-	-	-	-	-	-	-	-	-	522.45	-	-	-	-	-	-
10	Turnover *	7.01	7.13	58,969.53	12.00	2.90	22,487.11	648.88	2,926.53	1,688.82	14,800.84	6.81	7.91	81,907.43	12.11	2.87	44,193.77	632.52	1,473.66	156.77
11	Profit/(Loss) before Taxation before OCI	(1.70)	6.57	1,495.03	(0.42)	2.30	319.62	191.64	220.39	(0.34)	308.97	(11.96)	7.53	7,109.58	5.63	2.41	3,311.74	132.91	117.31	(52.88)
12	Provision for Taxation																			
	a. Current Tax	-	1.71	491.47	0.56	0.61	153.61	55.90	62.08	-	16.36	-	2.94	2,431.03	2.18	0.63	1,154.85	38.33	33.12	-
	b. Deferred Tax	(0.46)	-	66.63	0.21	-	(30.11)	(2.39)	0.44	(0.09)	-	(2.52)	-	(316.21)	0.21	-	27.01	(1.36)	0.23	(14.18)
13	Profit/(Loss) after Taxation	(1.23)	4.86	936.93	(1.18)	1.70	196.12	138.13	157.87	(0.25)	292.62	(9.44)	4.60	4,994.76	3.24	1.79	2,129.88	95.94	83.96	(38.70)
14	Other Comprehensive Income	-	-	(275.67)	-	-	8.01	0.55	-	-	-	-	-	(260.99)	-	-	40.45	0.11	-	-
15	Proposed Dividend**	-	-	355.00	-	-	150.00	50.00	50.00	-	-	-	-	1,104.03	-	-	250.00	-	-	-
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%	100%	100%	100%	100%	51%	51%	51%	51%

* Includes Other Income

** Includes interim dividend paid during the year

*** Reporting currency is canadian dollar and exchange rate as on the last day of relevant financial year is ₹ 51.83.

Notes :

1. Names of subsidiaries which have been liquidated or sold during the year : Nil

Part " B": Associates and Joint Ventures- Isgec Hitachi Zosen Ltd., Isgec Foster Wheeler Boilers Private Ltd., Isgec Titan Metal Fabricators Private Ltd. and Isgec Redecam Enviro Solutions Private Ltd. are also Joint venture companies.

Notes

Notes

ISGEC Connecting with the youth

A CSR Initiative

1000+

provided with training in
Sports & Life Skills

Isgec is supporting the Dribble Academy Foundation which is a non-profit basketball skill development academy that is providing life skills through high-quality basketball training to at-risk children from 4 government and lower-economic private schools in Gejha, Hajipur and Shahpur villages of Noida. The children are provided in-school and after-school training, with almost 45% being girls.

4500+

provided with improved
Educational Infrastructure

Isgec has been focusing on improving the condition of schools in and around Yamunanagar over the past many years. This year too Isgec renovated and upgraded the infrastructure of 8 government schools, including the installation of solar panels. This activity benefitted more than 4500 children studying in these schools. Apart from this, many educational institutes in areas around our project sites in places like Bhatukheri, Pindorai, Jalalpur, Nozal, Shamli, and Khatauli were provided assistance for getting additional class rooms, libraries, and computer labs.

650+

provided with personalised
Educational Assistance

Isgec supported the Nai Disha Educational and Cultural Society, a non-profit organization focusing on community development through education. The activities funded were the Open School project targeting 176 out-of-school children from migrated families with learning gaps, as well as the Remedial project sustaining the education of 250 mainstream children from disadvantaged families and ensuring continuity by running pre school & post school classes. Isgec also funded Summer Camp activities of 240 children in the rural areas of Bilaspur-Yamunanagar.

Apart from supporting these and other activities, Isgec also contributed substantially towards relief efforts in the state of Kerala which was devastated by extensive flooding in August 2018.

Windsor, Canada

Yamunanagar, India

Bawal, India


Dahej, India


Muzaffarnagar, India

Rattangarh, India

ENGINEERING FOR EXCELLENCE