

**engineering a
sustainable
successful
secure
future**



MANUFACTURING

Process Equipment

Presses • Castings

Boiler Manufacturing & Piping

Liquefied Gas Containers • Contract Manufacturing



ENGINEERING, PROCUREMENT & CONSTRUCTION

Industrial & Green Energy Boilers • Utility Boilers • Sugar Plants & Distilleries • Power Projects

Air Pollution Control Equipment & Projects • Industrial Waste Water Treatment Projects

Bulk Material Handling Equipment & Projects

Civil Construction including Factories

**Annual Report
2021-2022**

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Forward-looking statement

The Annual Report may contain, without limitation, certain statements that include words such as “believes”, “expects”, “anticipates” and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.



View or download this report at
www.isgec.com

Isgec Heavy Engineering - Overview

Isgec Heavy Engineering Ltd. is a diversified heavy engineering company headquartered in India. Evolving and adapting itself to the growing needs of the international market, the Company has become a name to reckon with. What started off with an offering of Sugar Machinery and Boilers has, over the years, diversified and now has an enviable portfolio of business verticals. Today, these are categorised under the two broad segments of 'Manufacturing' and 'EPC'.

Our Manufacturing segment covers Process Equipment, Mechanical & Hydraulic Presses, Steel & Iron Castings, Boiler Panels & Piping, as well as Contract Manufacturing of Industrial products. Our EPC Projects segment undertakes turnkey projects for setting up Industrial & Utility Boilers, Sugar Plants & Distilleries, Power Plants, Air Pollution Control Equipment, Industrial Wastewater Treatment projects, Bulk Material Handling projects, as well as Civil Construction, including Factories.

What drives the people at Isgec is the desire to use our proven engineering skills and vast cumulative experience of over 89 years, to achieve excellence in the products and projects that we execute. We believe it is this striving that will help our customers achieve excellence in what they do and pave the way for a future that is sustainable, successful, and secure.

The Company's exceptional engineering prowess has created a lasting impression across multiple geographies covering 91 countries. It has, and continues to address the demands of a wide range of industries that include - power, defence, fertiliser, sugar, oil & gas, petrochemicals, automobile, steel, cement, chemicals, railways, space, and ports.

Keeping abreast of the latest and most relevant technologies across our portfolio, Isgec has strategic technology partnerships and as well as a number of joint venture partnerships with leading firms from across the globe.

Global presence



91 Countries across



6 Continents



4,500+
Employees across India, Canada,
USA, and the Philippines



1,000+
Qualified engineers



AA (Negative) and **A1+**
Credit rating by ICRA

KEY HIGHLIGHTS FOR FY 2021-22



₹ **5,51,258** Lakh
Revenue



₹ **32,462** Lakh
EBITDA



₹ **11,498** Lakh
PAT



₹ **2,20,210** Lakh
Net Worth as on FY 2021-22



₹ **7,32,200** Lakh
Order Book

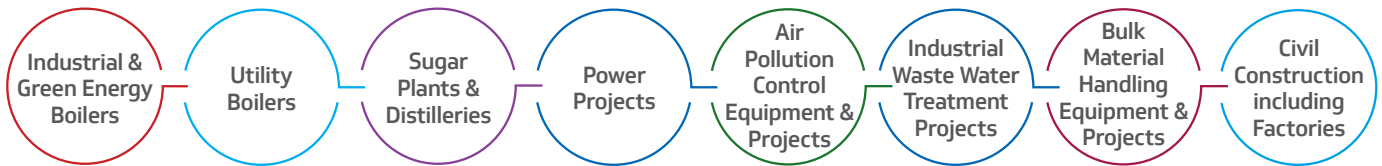
Our Business Segments

We are a diversified player with business areas in both Manufacturing and Engineering, Procurement, and Construction (EPC) Project segments.

MANUFACTURING



ENGINEERING, PROCUREMENT & CONSTRUCTION



MANUFACTURING LOCATIONS & DESIGN OFFICES

EPC Offices

- Noida, UP
- Chennai, Tamil Nadu
- Pune, Maharashtra

Overseas Facility

Eagle Press & Equipment Co. Ltd.
Windsor, Canada

Presses

Cavite Biofuel Producers Inc.
(CBPI), Philippines

Map not to scale.
For illustrative purposes only.

Yamunanagar, Haryana

Pressure Vessels & Heat Exchangers, Presses, Boilers, Containers, Castings, Sugar and other Industrial Machinery

Ratangarh, Haryana

Boiler Components, Headers, Reactors, Piping

Bawal, Haryana

Mechanical Presses and other Industrial Machinery

Muzaffarnagar, UP

Steel Castings

Isgec Hitachi Zosen Dahej, Gujarat

Pressure Vessels, Columns, Heat Exchangers, Reactors

Saraswati Sugar Mills Yamunanagar, Haryana

Sugar Mill

OUR MARQUEE CLIENTELE



Our Journey

1933

Establishment of Company (erstwhile name - Saraswati Sugar Syndicate Ltd.)

1946

Establishment of Indian Sugar & General Engineering Corporation (Isgec Heavy Engineering Limited) to address the need for the Indian capital goods industry

1963

Amalgamation of Saraswati Sugar with Isgec

1965

Formation of Isgec John Thompson Ltd. (IJT) for designing, supplying, erecting, and providing after sales service of boilers

1967

Formation of Presses division

2009

Setting up of a new factory for Standard Presses at Bawal, near Gurugram (Haryana) India

- Company's turnover crossed ₹2,000 Crore

2008

Listing on Group B of the Bombay Stock Exchange

- Setting up of new plant at Dahej, Gujarat to manufacture heavier and bigger Process Plant equipment for the overseas market

2007

Company's turnover crossed ₹1,000 Crore

1981

Acquisition of Castings unit by the Company

1973

Amalgamation of Isgec John Thompson Ltd. (IJT) with Isgec

2012

Entered into a JV with Hitachi Zosen Corporation, Japan for manufacturing specialised and critical Process Equipment (51% share with Isgec)

- Company's turnover crossed ₹3,000 Crore

2015

Formed JVs with Sumitomo SHI FW Energia, Oy, Finland; Titan Metal Fabricators, USA; and Redecam, Italy

2018

Acquisition of 100% stake in Eagle Press & Equipment Co. Ltd., a Press manufacturing company in Canada

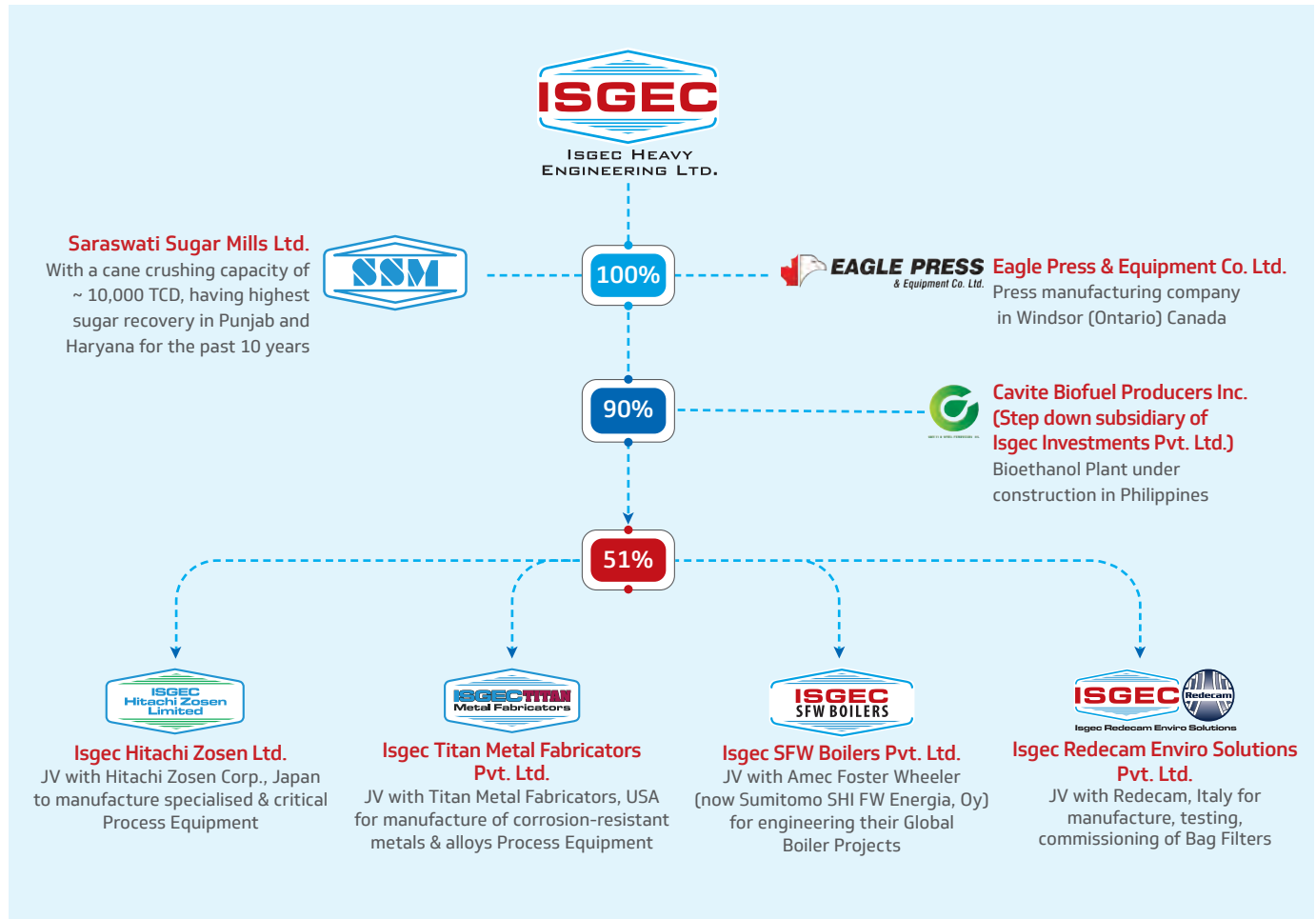
2020

Company's turnover crosses ₹5,800 Crore

2021

Listing on the National Stock Exchange and Commissioning of Ethanol Plant at Saraswati Sugar Mills, Yamunanagar

Subsidiaries and Joint Ventures



Strategic Technology Partnerships

Amec Foster Wheeler
USA (now with Wood Group, UK)

Bosch Projects
South Africa

Siemens Heat Transfer Technology b.v.
Netherlands

AP&T
Sweden

CB&I Technology Inc.
USA

Sumitomo SHI FW Energia Oy
Finland

Babcock Power Environmental Inc.
USA

Envirotherm GmbH
Germany

Thermal Engineering International (TEI)
USA

BHI FW Corporation
South Korea

Fuel Tech Inc.
USA

Board of Directors



Mr. Ranjit Puri
Chairman



Mr. Aditya Puri
Managing Director



Mr. Vishal Kirti Keshav Marwaha
Independent Director



Mr. Sidharth Prasad
Independent Director



Mr. Arvind Sagar
Independent Director



Mrs. Rashi Sikka
Independent Director



Mr. Sanjay Gulati
Whole-time Director and
Head - Manufacturing Units



Mr. Kishore Chatnani
Whole-time Director and
Chief Financial Officer

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee/Stakeholders Grievances Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Chair

Note: Mrs. Rashi Sikka was appointed as an Independent Director w.e.f 28th May 2022.

Corporate Information



Ms. Shweta Agrawal
Company Secretary &
Compliance Officer

Note: Ms. Shweta Agrawal took over as Company Secretary & Compliance Officer w.e.f. 1st June 2022, on the retirement of Mr. S.K. Khorana.

AUDITORS

SCV & Co. LLP
B-41, Panchsheel Enclave,
New Delhi - 110 017

REGISTERED OFFICE

Radaur Road,
Yamunanagar - 135 001
Haryana, India

BANKERS

State Bank of India
Standard Chartered Bank
Union Bank of India
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 Ltd.
Axis Bank Ltd.
Bank of Baroda
Indian Bank

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Limited
'Alankit House', 4E/2, Jhandewalan Extension,
New Delhi - 110 055
Phone: +91-11-42541234, 23541234,
Fax : +91-11-23552001
Email: alankit@alankit.com

Board's Report

1.00 The Board hereby presents its Report for the year ended 31st March, 2022.

2.00 FINANCIAL SUMMARY: (STANDALONE)

Particulars		(₹ in lakhs)	
		As at 31.03.2022	As at 31.03.2021
I.	ASSETS:		
	Property, plant and equipment	42,091.45	42,837.09
	Right-of-use asset	3,217.86	3,412.57
	Capital work-in-progress	835.14	863.29
	Other intangible assets	2,152.03	2,011.78
	Other non-current assets	44,780.73	39,909.98
	Current assets	3,99,012.90	3,89,696.74
	Total	4,92,090.11	4,78,731.45
II.	EQUITY AND LIABILITIES:		
	Shareholders' funds	1,78,323.21	1,67,458.72
	Non-current liabilities	36,924.51	37,419.88
	Current liabilities	2,76,842.39	2,73,852.85
	Total	4,92,090.11	4,78,731.45

Particulars		For the year ended	
		31.03.2022	31.03.2021
III.	Revenue From Operations	4,44,446.52	4,30,960.60
	Other Income	2,603.90	3,560.96
	Total Revenue	4,47,050.42	4,34,521.56
IV.	Total Expenses	4,32,344.15	4,06,067.86
V.	Profit/(Loss) Before Tax	14,706.27	28,453.70
VI.	Tax Expenses including Deferred Tax	3,424.38	6,630.69
VII.	Profit/(Loss) After Tax	11,281.89	21,823.01
VIII.	Other comprehensive income (net of taxes)	317.90	55.38
IX.	Balance carried to profit and loss account	11,599.79	21,878.39
X.	Basic/ Diluted Earnings per Share of ₹1/- each (in ₹)	15.34	29.68

3.00 ANNUAL RETURN:

3.01 The Annual Return, when filed, is placed on the website of the Company at <https://www.isgec.com/about-us-financial-annual-return.php>

4.00 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

4.01 Five Board Meetings were held during the year ended 31st March, 2022.

5.00 DIRECTORS' RESPONSIBILITY STATEMENT:

5.01 Your Directors hereby confirm that:

(a) In the preparation of the Annual Accounts for the financial year 2021-22 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.

6.00 DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

- 6.01 The Auditors have not reported any frauds under sub-section (12) of the section 143 of the Companies Act, 2013 and rules made thereunder to the Audit Committee or to the Board of Directors.

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

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

8.00 INDEPENDENT DIRECTORS:

- 8.01 All the Independent Directors have furnished declaration under sub-section (6) of Section 149 of the Companies Act, 2013.

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

- 9.01 The Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board, a policy relating to the remuneration for the key managerial personnel and other employees. While formulating the policy, the Committee has taken into account:-
 - (i) that 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) that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (iii) that 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 Policy is available on the website of the company at <https://www.isgpec.com/pdf/NRC-policy.pdf>

10.00 PARTICULARS OF LOANS, GUARANTEES/ INVESTMENTS:

- 10.01 Particulars of Loans given, Investments made, or Securities provided under Section 186 of the Companies Act, 2013 are annexed as **Annexure-1**.

11.00 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

- 11.01 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 and amendments thereof. The Policy on Related Party Transactions has been disclosed on the website of the company at <https://www.isgpec.com/pdf/RPT.pdf>
- 11.02 The particulars of contracts or arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013, are given in the prescribed Form AOC-2, annexed as **Annexure-2**.

12.00 COVID-19:

- 12.01 During the year under report, the working and operations were adversely affected, firstly due to the second wave of Covid-19 in the first quarter (April – June 2021), and again due to the third wave of Covid-19 in the last quarter (January – March 2022).
- 12.02 While all factories were working normally, Engineering, Procurement and Construction (EPC) business offices at Noida were closed for 6 weeks in the first quarter and for about 10 days in January 2022, besides, Pune and Chennai offices were also closed for few weeks. Before and after the closure, till normalcy returned, offices were working with 50% to 70% attendance while balance employees were working from home.
- 12.03 During the second wave, as per Government directives, oxygen was diverted for medical purposes causing scarcity of oxygen in our own facilities, vendors' workshops and project sites, resulting in production losses till 31st May, 2021.

- 12.04 The company took proactive steps to vaccinate its manpower resources. 99.9% of all our manpower - our employees and contractors' workers, have received the second dose of vaccination.
- 12.05 The situation in India has improved. We continue to take necessary precautions and monitor the situation.
- 13.00 TECHNOLOGY:**
- 13.01 The Company entered into a strategic collaboration with UCC Environmental, USA, for Dry Sorbent Injection (DSI) Technology. With this collaboration we have increased our Desulphurization (DeSO_x) Technology portfolio for Power Plants and now possess all major Flue Gas Desulphurization (FGD) Technologies i.e. Wet FGD, Semi Dry FGD and Dry FGD.
- 13.02 Technology tie-up agreement for Circulating Fluidized Bed Combustion (CFBC) Boilers, with Sumitomo SHI FW Energia Oy, which was expiring, has been renegotiated and renewed for a further period of 10 years.
- 13.03 We received a Patent for a Two Drum Feeder Design for our Boilers, and a Certification of Registration of Design from the India Patent office for a Special Design of Entrainment Catcher in Falling Film Evaporators named 'Annular Polybaffle' for Evaporators in Sugar Plants. We also qualified for Procedure Qualification Record (PQR) for (i) Heat Exchangers for Purified Terephthalic Acid (PTA) Plants with B.P. Technology, (ii) P91 material with impact testing temperature at 0 degree C and (iii) new metallurgy on Al-Bronze and Ni-Al Bronze.
- 13.04 Our technologists and engineers continue to make several innovations. Some of these include the introduction of an Online Assembly concept for Low-Capacity Presses to improve productivity; development of a Single Suspension High Speed Press for the automobile industry for Progressive Die application of very small but high strength parts with Coil Line; designing of a 1250T Transfer Press for precise forming of high tensile parts, especially for the European market; and an Operation and Control software package for Servo Presses.
- 13.05 To facilitate the consumption of Waste Biomass, we created a design to fire a higher concentration of Bagasse Pith in Travelling Grate Boilers and for the first time introduced firing of Blast Furnace Gas (BFG) in CFBC Boilers.
- 13.06 The Company is embarking on an IT transformation project by the implementation of SAP Enterprise Resource Planning software. This is a major initiative to bring about large-scale improvements in processes and operational excellence for improvement in profitability and building capability to undertake larger scale of business. The project involves the implementation of SAP S/4 HANA ERP System to replace BaaN in the Projects business and up-gradation of the existing SAP system in the Manufacturing Units.
- 14.00 EXPORTS:**
- 14.01 Export revenue during the year was ₹411 crore against ₹645 crore in the preceding year. This is because of low backlog of live export orders in the beginning of the year under report.
- 14.02 Export order booking during the year was also low as international travel restrictions continued. The sentiment to invest was low and customers were not willing to risk purchasing capital equipment or ordering projects due to logistic related concerns.
- 14.03 In spite of these limitations, Digital Marketing interventions continued to generate business leads. Videos and emails were sent to prospective customers and virtual meetings and webinars were held.
- 14.04 With the removal of travel restrictions by most of the countries, our executives have started travelling and export orders have started coming in. Lately, we have booked good orders. Details of important orders are given in para 17(c) of the Management Discussion & Analysis.
- 14.05 The enquiry position, as on date, is also good.
- 15.00 BUSINESS DEVELOPMENT:**
- 15.01 There is a global thrust on Decarburization and the promotion of Green Energy. The initiatives in Green Energy value chain which were started during the last year were taken forward. We began a dialogue with an international firm of repute for developing a solution for long duration energy storage. As the component of renewables (wind & solar) is increasing in the total electricity production, such solutions are the need of the hour for mitigating the intermittency of renewable energy. We are in an advanced stage of discussions with the said firm.
- 15.02 In addition, we have also studied the possibility of supplying and constructing Bio Methane (compressed Bio CNG) Plants for developers. We will participate in such projects subject to the size & value of such plants.

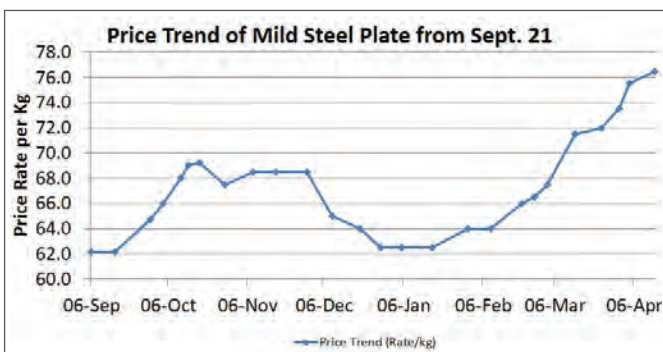
- 15.03 Cylinder Drier, a new product for our Iron Casting division, has been identified for development. It finds extensive application in the paper industry. We are in an advanced stage of discussions with a multinational firm of repute supplying paper plants.
- 15.04 During the year, we identified Skid Mounted Plants & Modules as another area of diversification and have since started bidding for such projects.
- 15.05 Our business development efforts during the preceding year have resulted in orders for the supply of Gun Mounting Bodies for the Defence sector, and 25 Nos. Medical Oxygen Plants during the year under report.

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

- 16.01 Despite the adverse effect of the second and third waves of the Covid-19 pandemic, which seriously affected businesses around the world, the total income was almost the same as last year. The total income was ₹4,470.50 crore against ₹4,345.22 crore in the previous year.
- 16.02 Profitability, however, has been lower due to the adverse impact of commodity price increase, particularly of steel and other metals, as shown in the graphs below.



Source: As per quotations received by the Company



Source: As per quotations received by the Company

Profitability was also adversely impacted by Covid-19 related disruptions - time and cost overruns on projects, shortage of skilled manpower and the sharp increase in freight cost. Employee cost was also higher as compared to last year as we had salary cuts last year.

- 16.03 We always keep a contingency margin for an increase in commodity prices, however, this time the price rise was unprecedented. There are various strategy measures we are looking at to mitigate the effect, such as keeping higher contingency margins, entering into back-to-back arrangements for steel purchases and keeping an escalation clause in sales orders. We are also examining the possibility of hedging steel and other metals on the commodity exchanges in India, USA and the UK.

- 16.04 Further details are given in paragraph 12.01 under the heading Covid-19 and in para 17(c) under the heading Management Discussion & Analysis.

17.00 MANAGEMENT DISCUSSION AND ANALYSIS:

In this section, the Management discusses the performance of the Company on the following matters, within the limits set by the Company's competitive market position:

(a) Industry Structure and Development:

Industrial activity and investments, especially in the Capital Goods industry, have been adversely impacted over the last two years due to the Covid-19 pandemic. Gradual unlocking of the economy, record vaccinations, improvement in consumer demand, and continued policy support towards industry by the Government, have now led to an upturn in the prospects of the industrial sector. Introduction of the production linked incentive scheme (PLI) for boosting local manufacturing of 14 champion sectors, and the major boost provided to infrastructure by the Government have been welcome steps taken to propel investment. With over 35% Y-O-Y increase in CAPEX and a proposed infrastructure spend of over ₹10 lakh crore in Budget 2022-23, the Government of India has reinforced its commitment to infrastructure with the expectation that it will have a multiplier effect on economic growth.

(b) Opportunities and Threats:

Opportunities:

- Increased focus on the infrastructure sector, affordable housing, road networks, railway station and airport projects, will contribute to the growth of the Cement and Steel sectors. This will help us with our Air Pollution Control Equipment, Castings, Contract Manufacturing, Boilers, Boiler Manufacturing & Piping, and Civil Construction businesses;

- ▶ The enforcement of stringent emission norms on Thermal Power Plants will lead to investments in Air Pollution Control Equipment, where we are well positioned.
- ▶ Expansion in the Oil & Gas sector with an expected CAPEX of ₹1.5 lakh crore will open up the market for our Boilers, Boiler Manufacturing & Piping, EPC Process Plants, and Process Equipment businesses;
- ▶ Under the Ethanol Blending Programme (EBP), being promoted by the Government, Sugar and Distillery projects are likely to come up in a big way and this will help us strengthen our Boilers and Sugar Plants & Distilleries businesses;
- ▶ Major expansion plans announced in the Chemical, Pharma, and Health sectors are likely to benefit our Process Equipment, Boilers and Air Pollution Control Equipment businesses.

Threats:

- ▶ High Crude Oil and Commodity prices have raised input costs, impacting our competitiveness across business verticals, especially in the international market;
- ▶ Rising cost of logistics is also adding to our problems;
- ▶ The on-going Russia-Ukraine conflict has caused supply chain disruptions resulting in a shortage of microchips at a global level. This is likely to continue adversely affecting the Automobile sector and have an impact on our Presses business.

(c), (d) and (e) **Segment-wise or Product-wise Performance, Outlook and Risk & Concerns:**

(c) Segment-wise or Product-wise Performance:

A. Engineering, Procurement and Construction Segment:

- A.01 EPC Segment covers the setting up of Projects for Boilers, Air Pollution Control Equipment, Sugar & Distillery Plants & Machinery, Power Plant Solutions, Bulk Material Handling Systems, Process Plants, Civil Construction including Factories and Workshops and Wastewater Treatment Plants. Each of these segments is discussed in the subsequent paragraphs.
- A.02 The total revenue from the EPC segment, in spite of Covid-19 related disruptions, was at ₹3,361.49 crore against ₹3,402.36 crore last year. The profits have, however, been lower due to the following reasons:-
- ▶ Increase in the prices of commodities such as steel, copper, aluminium and nickel;
 - ▶ Time and cost overrun in EPC projects due to the impact of Covid-19 related disruptions, coupled with some shortage of skilled manpower;

- ▶ Sharp increase in freight cost, both for the purchase of material and supply of goods to customers;
- ▶ Normal employee cost and increments (there was salary cut last year).

A.03 Lower profitability in EPC segment is likely to continue for some more time as the fixed price, longer duration orders presently under execution were booked before the increase in commodity prices. For the newer orders, we have budgeted higher contingency and margins on costs. As we progress, the proportion of the older orders will keep on reducing and the newer orders, taken at better margins, will be under execution.

Boilers:



75 TPH Paddy Straw Fired Boiler supplied to an Independent Power Project in Haryana, India

- A.04 Projects for Boilers include Circulating Fluidized Bed Combustion Boilers (CFBC); Atmospheric Fluidized Bed Combustion Boilers (AFBC); Waste Heat Recovery Boilers (WHRB), including Cement Waste Heat Recovery Boilers (CWHRB); Waste to Energy (WTE) Boilers; Travelling Grate (TG) Boilers for burning clean biomass, e.g. Bagasse; Vibrating Grate Boilers (VG) for burning critical biomass, e.g. Straw; Oil & Gas (O&G) Fired Boilers, including Heat Recovery Steam Generators; and Slop (Distillery Waste) Fired Boilers.
- A.05 As a result of remote (online) commissioning of many Boilers in India and abroad, we commissioned 54 Boilers, the highest in a year. Important Boilers commissioned during the year include:
- ▶ Two Boilers burning 100% paddy straw in Haryana, in partnership with BWE (Burmeister & Wain Energy, erstwhile BWSC), Denmark. This is a big step towards preventing stubble burning & providing Green Energy;
 - ▶ Our Largest Biomass Boiler (2x230 TPH) in Thailand;

- ▶ 2 sets of 100 TPH Heat Recovery Steam Generators (HRSG) at Barauni and Sindhri Fertilizer Plants, with technology from Siemens, Netherlands;
- ▶ A 210 TPH Boiler for Process Power generation for a 10000 TCD Sugar Plant;
- ▶ A 60 TPH Boiler for firing Distillery Waste at a Sugar Complex in Karnataka in a record 10 months' time.

A.06 Important orders received during the year include:

- ▶ A Repeat Order for a CWHR Boiler from a Cement Plant customer. An Order for the world's largest CWHR Boiler, booked last year from the same customer, is in an advanced stage of completion;
- ▶ A Repeat Order for a Sponge Iron WHR Boiler.
- ▶ An Order for the Largest Oil & Gas Fired Boiler (380 TPH) from the Oil & Gas sector;
- ▶ An Order for the Large O&M Contract for a 100 MW Power Plant at an Aluminum Plant.

Air Pollution Control Equipment:



Bag Filter supplied for Coke Oven application in the Steel industry, India

A.07 Air Pollution Control Equipment include Wet and Semi-Dry Desulfurization System (FGD), Flue Gas Conditioning System (FGC) for removal of SO_x,

Combustion Modification System to control NO_x, Dry Sorbent Injection System, Bag Filters and Electrostatic Precipitators for control of Dust Particles.

A.08 The Government has introduced penalties on Thermal Power Stations for not complying with emission norms by December 2024. This is likely to lead to an increased demand for Air Pollution Control Equipment and your Company is well equipped for this.

A.09 During the year, we received a Notice to Proceed (NTP) for a Wet Flue Gas Desulphurization (FGD) System for a 2x660 MW Thermal Power Station from a State Utility. Apart from this, we are also executing orders for Wet FGD Projects for 5x800 MW Units and 2x660 MW Units from different Utilities.

A.10 The Company further consolidated its position in the Desulphurization (DeSO_x) Market through a strategic collaboration with UCC Environmental, USA for Dry Sorbent Injection (DSI) Technology, and received a breakthrough Order for 2x210 MW Units from a State Power Utility.

A.11 We also booked the second order for Combustion Modification for NO_x Control for 3 Coal Fired Boiler Units from a Private Sector Utility.

A.12 With regard to Particulate Matter Emissions from Thermal Power Plants and for other Industrial Applications, we started bidding for Projects requiring Retrofit of Electrostatic Precipitators in order to comply with stringent Particulate Emission norms and we have also started offering Particulate Matter Control Solutions such as Electrostatic Precipitators for Copper Smelter Plants.

Sugar & Distillery Plants and Machinery:



109 KLPD Multi-Feed Distillery set up at the Saraswati Sugar Mills, Yamunanagar, India

A.13 Sugar & Distillery Plants and Machinery include Complete Sugar Plants, Sugar Refineries, and Distilleries for manufacture of Ethanol based on molasses and food-grains.

A.14 The Company continues to be a market leader in the Indian Sugar Machinery market. The progress was also satisfactory in the Distillery business.

A.15 Major projects commissioned include:

- ▶ 10000 TCD Sugar Plant with 40 MW (single turbine) Cogeneration Plant producing sulphur-less sugar;
- ▶ 5000 TCD Sugar Plant having modern equipment such as Vertical Continuous Pans, Falling Film Evaporators, and SRI Clarifiers;
- ▶ 100 KLPD Ethanol plant with 42 TPH Incineration Boiler and 5.6 MW Power Plant.

A.16 Major orders received included:

- ▶ An Order for a Complete Sugar Bio-Ethanol Project consisting of a 7500 TCD Sugar Plant, 15 MW Cogeneration Plant and a 120 KLPD Ethanol Plant;
- ▶ Repeat Order for a 175 KLPD Multi-feed Distillery.

A.17 Crude oil prices have risen steeply due to the Russia-Ukraine war. In a recent notification, the Government has extended financial assistance for applications received till 22.10.2022 for establishing Ethanol Plants based on multiple feedstocks, such as sugarcane, sugar beet, etc. The outlook for receiving more orders for Distilleries is bright in the Financial Year 2022-23.

Power Plants, Bulk Material Handling Systems, Process Plants, Civil Construction including Factories and Workshops and Wastewater Treatment Plants:

A.18 In Power Plants of less than 100 MW capacity, we provide solutions that can handle a diverse range of fuels such as Municipal Waste, Waste Heat, Biomass and Fossil Fuel. Projects under execution include Municipal Waste based Power Plants for the Bengaluru Municipal Corporation and the Pune-Chinchwad Municipal Corporation.



10 MW Gas Turbine based Power Plant supplied to a Petrochemicals Unit in Assam, India

A.19 Bulk Material Handling projects involve comprehensive solutions for Ports that range from Ship Unloading till Automated Wagon/Rake Loading, and for Mines and Power Plants by providing Conveying, Crushing & Reloading solutions through Pipe Conveyors. Presently we are executing a Bauxite Handling Facility which includes Wagon Tippler, Civil Works, Stacker/Reclaimers, Crushing, Conveying, and Storage, as well as a 16 Km Long Piped Conveyor connecting 3 Coal Mines to 2 Power Plants.



Conveying System supplied to a Sea Port in Paradip, Odisha, India

A.20 In Process Plants we provide turnkey solutions to the Oil & Gas, Refineries Fertilizers and Chemicals sectors. Presently we are executing a Sulphur Recovery Unit for a major Refinery in India.

A.21 We have been focusing on Construction in the Railways and Metros business and the work includes Civil Works, Plant & Machinery, Electrical work, Track work, Signaling & Telecommunications. Presently we are executing a Coach Manufacturing Facility and an Axle Manufacturing Facility for the Indian Railways.



Rail Coach Factory set up at Sonipat, Haryana, India

A.22 Wastewater Treatment projects involve solutions for treating River/Ground Water, Industrial Wastewater Treatment, Leachate Treatment and Zero Liquid Discharge. Presently we are executing a Zero Liquid Discharge Unit for a 660MW Thermal Power Plant, and a Ganga Water Treatment Plant for a large Utility Power Plant operator.



Complete Water and Wastewater Management Plant supplied to a Chemical Plant at Dahej, Gujarat, India

A.23 The key projects completed were:

- ▶ Railway Coach manufacturing facilities at Latur & Sonapat;
- ▶ Ship unloading, conveying, stacking/reclaiming and wagon loading facility at the Paradip Port;
- ▶ Cogeneration Plants and other Power related work, e.g. Balance of Plant Solutions, for our Air Pollution Control Equipment, Boilers and Sugar Plants & Distilleries businesses.

A.24 Major orders secured include:

- ▶ Order for Bauxite Handling facility in Central India;
- ▶ Order for Sulphur Recovery unit from a major Refinery.

B. MANUFACTURING OF MACHINERY & EQUIPMENT SEGMENT:

B.01 This Segment consists of the manufacture of Presses, Process Equipment, Liquefied Gas Containers, Tubing & Piping, Iron & Steel Castings and Industrial Machinery. Each of these segments is discussed in the subsequent paragraphs.

B.02 The total revenue from the Manufacturing segment was ₹1,298 crore against ₹1,137 crore in the preceding year. The profit was, however, lower due to less orders for Presses, rising cost of material, disruption in supplies resulting in delay and overrun and less export orders (export orders have higher margins).

PRESSES AND CONTRACT MANUFACTURING:



1200T Mechanical Press supplied to a Tier-1 Automobile Ancillary in Pune, India

B.03 The Automotive sector, the main user industry for our Presses, remained slow and there was no major

expansion during the year under report. In addition, the opening of tenders for Presses required by Government departments such as Defence also did not materialize. This has adversely affected order booking during the year. As we could not visit overseas customers for enquiry generation and techno-commercial discussions due to travel restrictions, export orders were also adversely affected.

B.04 With the reopening of our office in Thailand in October 2021 and lifting of travel restrictions, we could book good orders from South-East Asia and Europe in the later part of the year. Major orders received include:

- ▶ Orders from Original Equipment Manufacturer (OEM) from Vietnam for 1250T Tandem Press Line, with Robotic Automation, to be used for sheet metal stamping of high tensile steel and aluminium for Passenger Vehicles;
- ▶ Repeat Order for a 800T Mechanical Press from a customer in Spain.

B.05 Inflow of enquiries from the South East Asia market is now picking up. We have received a Repeat Order for a 1250T Tandem Press Line with Robotic Automation from a customer in Vietnam.

B.06 Order booking and production of Standard Mechanical Presses increased by almost 100% over the last year.

B.07 This year we launched CNC Hydraulic Press Brakes to add to the product basket.

B.08 As for Contract Manufacturing, we could book good orders from all sectors – Steel, Hydro Power, Thermal Power and Mining. Major orders booked include:

- ▶ Repeat Orders for Drive & Tipping Station and High Wall Mining equipment;
- ▶ Orders for Mounting Body from the Defence sector;
- ▶ Orders for Bowl Cleaning Mechanical & Hydraulic Press Structures from the Nuclear sector.

PROCESS EQUIPMENT:



High Pressure Heat Exchanger supplied to an Ammonia Plant in USA

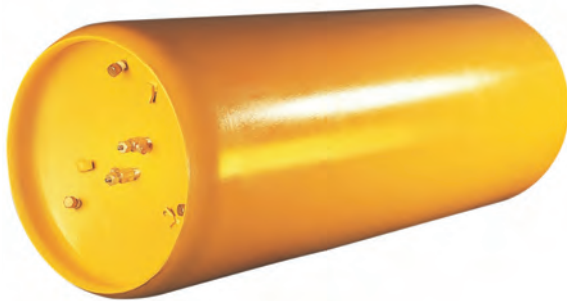
B.09 There was a good inflow of enquiries for Process Equipment from the domestic Refinery and Petrochemical sector, as also, we had a good backlog of orders from the preceding financial year. Consequently, we could achieve higher billing.

B.10 We successfully manufactured and despatched:

- ▶ The first Process Gas Waste Heat Boiler to a Fertilizer unit in India. This was the first such Waste Heat Boiler supplied under the licence agreement with TEi, Inc., USA;
- ▶ The heaviest High Pressure Heat Exchanger for export to Air Products, USA with a total approx. weight of more than 320 MT.

B.11 We have been targeting Modification and Revamp related jobs in operating Process Plants. We are pleased to report that we have booked our first major Order from the largest Indian Refinery, for Modification of a Reactor and Regenerator Section of a Fluidized Catalytic Cracking unit.

B.12 During the financial year we were amongst the two Indian companies qualified for the manufacture of Loop Reactors and Catofin Heat Exchangers for Process Plants. We have since booked an order for a Catofin Heat Exchanger. An order for a Loop Reactor is under evaluation.

LIQUIFIED GAS CONTAINERS:


Chlorine Ton Container

- B.13 The Company continued to be the global leader for supply of Chlorine Ton Containers.
- B.14 Due to the second wave of Covid-19, projects were put on hold. The market recovered in the latter half of the year on account of pent-up demand and we had good order booking.
- B.15 We achieved the highest billing in the year under report.

TUBING AND PIPING:


Super Heater Module supplied to a Waste to Energy Plant in Australia

- B.16 The order booking has been good. Apart from captive orders (for Boiler projects supplied by the Company), we could book good orders from the non-Captive market.
- B.17 We received two major Orders for Pipe Spools from a Refinery and another from a reputed Indian EPC company.
- B.18 In the year under report, with technical know-how from Defence Research and Development Organization (DRDO), we manufactured and supplied 25 Nos. Oxygen Generator Plants to various Hospitals and Community Health Centres (CHC).

IRON & STEEL CASTINGS:


Casting of Housing for a Rotary Ammonia Compressor supplied to a Process Plant in Russia

- B.19 Our Iron Casting Foundry has been a pioneer in manufacturing the best quality Grey and Ductile Iron Castings in the global market, particularly for Soda Ash Plants, and is considered amongst the three top Casting manufacturers in the world.
- B.20 Order booking as well as billing were higher than the preceding year.
- B.21 In order to meet the targeted orders, the capacity of the Iron Foundry was increased by 500 Tonnes per month to 1575 Tonnes per month and the enhanced capacity started operations in January 2022.

(d) & (e) Outlook, Risk & Concerns:
(d) Outlook:

In addition to the position explained in paragraphs (a) & (b) of paragraph 9, the current year has started with a large backlog of orders. The enquiry level is also high. With the easing of Covid-19 restrictions, most of the countries are permitting travel. We, therefore, expect to book good orders, both domestic as well as exports. Increase in revenue is also expected.

(e) Risk & Concerns:

Though the Covid-19 situation has eased, the threat of a possible fourth wave continues. The rising prices of steel and other commodities is a major concern and may affect our margins. With the Ukraine–Russia war and other factors, prices have become volatile. We are stocking some raw material, wherever possible and exploring methods to hedge these costs.

(f) Internal Control Systems & their Adequacy:

The Internal Control Systems are adequate. The systems and processes are being continuously reviewed to improve working efficiency thereby reducing costs and timelines.

(g) Discussion on financial performance with respect to operational performance:

Financial performance and operational performance have been discussed segment-wise as well as product-wise under paragraph 17 (c). Financial summary and key financial ratios have been given in paragraph 2 of this report as well as in paragraph 17 (i) of this report.

(h) Material Developments in Human Resources/ Industrial Relations front, including number of people employed:

Industrial relations were good and cordial at all the locations of the Company and there were no material developments except loss of working due to the Covid-19 pandemic.

The company introduced a 5-day working week at the Corporate Office and Project businesses in order to attract and retain talent. This was done by restructuring leaves and working hours without impacting productivity.

Skill up-gradation trainings continued to be organized, mostly in on-line mode, at regular intervals.

As part of the recruitment process for junior management, the company introduced psychometric testing tools to understand the profile of the candidate with respect to their adaptability to company culture as well as their job requirements. This tool was also used while recruiting people at a senior level to elicit their leadership and managerial capabilities.

While employee attrition, mostly at the junior cadre level, was 9.1%, as against 5.56% in the previous year 2020-21, there was no major change in the number of people employed by the Company.

(i) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof enclosed as Annexure - 3.**(j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof enclosed as Annexure - 3.****18.00 REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES AND JOINT VENTURE COMPANIES:****(A) Saraswati Sugar Mills Limited (Wholly Owned Subsidiary Company):**

(1) The Shareholders will be happy to note that the Ethanol Plant was commissioned during the year. As mentioned in the last year's report, completion was delayed due to disruption as a result of Covid-19. It commenced commercial production with effect from 22nd December 2021.

(2) The total income was ₹661.92 crore against ₹820.78 crore last year and the profit before tax was ₹54.43 crore against ₹87.95 crore last year. The profits were less due to the following reasons:-

(i) Lower sales in absence of export sale during the year under report;

(ii) Higher depreciation on account of investment in the Ethanol Plant.

Sugar Scenario:

(3) In spite of increased sugar production, the all-India closing stock of sugar decreased at the close of the last two seasons and is also likely to decrease further at the close of the current season 2021-22 on 30.09.2022, due to the following reasons:-

(i) Large export in the last few seasons as a result of export subsidy. In the current season, export is higher despite there being no export subsidy as International sugar prices have risen;

(ii) Diversion of B-Heavy Molasses and Sugarcane Juice from production of Sugar to production of Ethanol. While an estimated 21 lakh tonnes of less sugar was produced last year because of ethanol production, the corresponding figure likely for this year is 34 lakh tonnes;

(iii) Increase in internal consumption in season 2020-21 and 2021-22 (expected).

(4) The comparative figures (All India) are given below:-

Season	Opening Stock Lakh MT	Production Lakh/Ton	Total Availability Lakh MT	Domestic Consumption Lakh MT	Exports Lakh MT	Total Lakh MT	Closing Stock Lakh MT
2019-20	145.79	274.11	419.90	253.00	59.50	312.50	107.40
2020-21	107.40	311.92	419.32	265.55	71.91	337.46	81.86
2021-22*	81.86	350.00	431.86	272.00	90.00	362.00	69.86

*As per estimates from the Indian Sugar Mills Association.

(5) The Central Government continued with the policy of Monthly Release Mechanism under which Mills are not allowed to sell more than the released quantity for that month.

sugarcane (May-June) and lower rainfall during Grand Growth Phase (July-August);

(6) The Central Government also continued with the policy of Minimum Sale Price (MSP), below which the Sugar Mills are not allowed to sell. MSP applicable during the year under report was ₹3100/- per quintal. There has been no increase in MSP since February 2019 seasons in spite of repeated representations by the Industry and also recommendations by the Commission for Agricultural Costs and Prices (CACP) and NITI Aayog. The domestic prices are, however, prevailing at a reasonable level due to increased consumption and decline in the closing stock of sugar, as explained above.

(iii) Increased Poplar plantation along with sugarcane from 9% to 15% during 2020-21 also affected average cane yield.

The cane supply was also disrupted for few days due to unusually heavy rains in the month of January and February making cane harvesting difficult.

(10) The Central Government increased the Fair & Remunerative Price (FRP) of sugarcane by ₹5/- per quintal to ₹290/- per quintal linked to a recovery of 10%. FRP applicable to each factory is increased by ₹2.90 per quintal for every 0.1% increase in the recovery over 10%. FRP applicable to our factory was ₹333/- per quintal.

OPERATIONS:

Sugar Factory:

(7) Sugar factory commenced crushing on 16.11.2021. The working of the plant & machinery was satisfactory, though there is a considerable fall in recovery.

(11) The Haryana Government also increased the State Advised Price (SAP) by ₹12/- per quintal from ₹350/- per quintal to ₹362/- per quintal, and accordingly, we are paying this price to the farmers, which is the highest in the country. The Haryana Government, as in the last few years, continued to give a subsidy to compensate for the difference between SAP & FRP.

(8) The recovery during the season was lower at 9.51% against 11.49% in the preceding season. The sugar recovery was lower by an estimated 1.60% due to production of B-Heavy Molasses for the Ethanol Plant (as explained in paragraph 4.15). The balance reduction in recovery was about 0.38% because of agro-climatic reasons. During the current season, lower recovery has been experienced in most sugar mills in Haryana and West U.P. due to these reasons.

(12) The Statistical position is given below: -

Particulars	Sugar Season (October to September)	
	2021-22	2020-21
Saraswati Sugar Mills (SSM)		
Date of Start of crushing operations	16-11-2021	24-11-2020
Date of Close of crushing operations	10-05-2022	10-05-2021
Cane Crush (Lakh Tonnes)	16.20	16.16
Recovery (%)	9.51	11.49
Sugar Production SSM (Lakh Tonnes)	1.54	1.86

(9) The quantity of cane crushed, in spite of an increase in the cane area, was marginally higher than expected as the cane yield was lower by 10 - 12%. Cane yield was lower due to:

(i) Higher incidence of insects/pests mainly Top Borer and Pokkah Boeing;

(ii) Comparatively more precipitation in early part during tillering and ratoon sprouting phase of

Sugar Export:

(13) There was no subsidy towards freight, etc., for export of sugar during the year under report and export was uneconomical. However, after the Russia-Ukraine

conflict because of diversion of sugarcane in the last few months towards Ethanol in Brazil, the largest exporter of raw sugar, the International sugar prices have risen. We took this opportunity to contract 10,800 MT of sugar for export of which a very small quantity was shipped up to March 2022.

Ethanol Plant:

- (14) As mentioned above, the Ethanol Plant commenced commercial production with effect from 22.12.2021. The capacity of the Plant is 100 KLPD.
- (15) The Ethanol Plant can work on a variety of feedstock including Sugarcane Syrup, C-Heavy Molasses/Final Molasses as well as on B-Heavy Molasses. In case of high sugar prices, the Plant can operate on C-Heavy/Final Molasses, but if sugar prices are low, then we can choose to operate on B-Heavy Molasses (B-Heavy Molasses is an intermediate product, it gets produced while opting for the two stage sugar boiling process to produce white sugar, instead of the three stage sugar boiling process). B-Heavy Molasses involves a sacrifice of some Sugar production to produce more Ethanol.
- (16) The working of the Plant has been good. It is operating at 100% capacity.
- (17) All the parameters, viz. energy consumption, efficiencies etc., are being achieved as per the norms. The effluent generated from the plant is being utilized in the Incineration Boiler with the support fuel, to generate steam and power in the Turbine. A complete scheme of Water Treatment is being operated to successfully achieve Zero Liquid Discharge (ZLD).
- (18) We have entered into contracts for supply of 34000 kilo liters of Ethanol during the Year 2021-22 (December 2021 to November 2022). The despatch of Ethanol was started from the 1st week of January 2022.
- (19) The by-products, namely CO₂ (carbon dioxide) gas, fusel oil, and potash rich boiler ash are also being sold.

Enhanced Working Capital Facility:

- (20) The Working Capital facility has been enhanced by ₹100 crore to support the operations of the new Ethanol Plant.
- (21) The Credit Rating Agency, ICRA, has reaffirmed the credit rating of A- for Fund based Working Capital limits and Fund based Term Loan.

Next Season:

- (22) We expect to have a comparatively higher quantity of cane crush in the next season due to an increase in cane planting by about 10%.

(23) Domestic sugar prices are likely to be at a reasonable level because of:-

- (1) Increased domestic consumption;
- (2) Decline in the closing stock of sugar;
- (3) Increased focus on Ethanol production as a result of increase in crude prices. It is estimated that sugar production in season 2022-23 will be lower by about 50 lakh tonnes because of Ethanol production;
- (4) Increase in International Sugar Prices.

(24) Financial results for the next year are expected to be satisfactory due to the reasons mentioned above as well as due to an expected increase in the price of Ethanol.

(B) Isgec Hitachi Zosen Limited (Subsidiary and Joint Venture Company):

- (1) The total revenue for the year was ₹324.35 crore as compared to ₹338.48 crore in the preceding year. The revenue was lower as a major order of ₹89 crore, for the supply to Russia, was ready for shipment but could not be shipped due to the war in Ukraine.
- (2) The profit before tax was ₹5.61 crore against ₹9.66 crore last year. The reason for the lower profit is because of the additional cost incurred on transportation of equipment to the HPCL Rajasthan Refinery, Barmer, due to non-availability of a barge as a result of a cyclone.
- (3) Important supplies made during the year were:-
 - [a] Surface Condenser for Toshiba, Japan for supply to Bangladesh. This was the first job with Titanium Clad Tube Sheets & Titanium Tubes;
 - [b] Vacuum Gas Oil Reactor, weighing approx. 1200 Tonnes, for the Rajasthan Refinery. This is the heaviest Reactor manufactured by us so far;
 - [c] Four Coke Drums for the Rajasthan Refinery as per the proprietary design of Chevron Lummus Global LLC.
- (4) The order booking during the year was good. Some of the prestigious orders booked during the year were:-

- (a) An LC Fining Reactor for the Residue Upgradation facility of the Numaligarh Refinery with a thickness of 220 mm and weighing 1200 Tonnes;
 - (b) Two Duplex Stainless Steel Clad Columns for a 2G Ethanol Project in Numaligarh;
 - (c) First order from JGC, Japan for the Basrah Refinery Project for Reactors & Columns;
 - (d) The first order for a Tube Bundle for a Reformer Exchanger for KBR, which is their proprietary equipment.
- (5) The inflow of enquiries continues to be good and we are being selective in booking orders as per our manufacturing & financial capacities.
- (6) As for financial year 2022-23, profitability will be adversely impacted due to a steep rise in material cost for items ordered after March 2022.

(C) Isgec Titan Metal Fabricators Private Limited (Subsidiary and Joint Venture Company):

- (1) The total income and profit of your Company, before tax, were marginally higher than last year, in spite of the disruption caused by the Covid-19 pandemic. The total income was ₹4,030 lakh against ₹3,642 lakh in the preceding year and the profit before tax was ₹664 lakh against ₹599 lakh last year. The turnover and profit would have been higher but for the deferment of various projects due to Covid-19, which adversely affected the order booking.
- (2) The Company has established its credibility in the market and was able to secure good orders. The orders secured for the first time include an order for 12 nos. BP Licensed Titanium Heat Exchangers from an Oil Refinery, another order for 1 no. KVT Licensed Ti Clad Oxidation Reactor, as well as an order for an Inconel Tubular Reactor for a Chemical Plant. Other important orders include those received for a Titanium Heat Exchanger from a Refinery, and Titanium Vessels and KVT licensed Titanium & Zirconium Exchanger from Chemical Plant.
- (3) With regard to Operations, the Company successfully supplied 3 nos. Photochlorination Reactors, 4 nos. Titanium Exchangers and Niobium Exchangers to Chemical Plants. The Company also successfully executed an export order for Hastelloy Exchangers.

- (4) The Company continues to focus on new processes to improve productivity and cycle time.
- (5) The Company could save cost and time by developing a new methodology for profile cutting and drilling operations on a water jet cutting machine. Machining operations earlier done on time consuming traditional machines are now being managed on the more advanced water jet cutting machines.
- (6) As for the next year ending 31st March, 2023, various projects in the Steel and Chemical sectors are likely to be revived and the Company is expected to secure good business and do well.

(D) ISGEC SFW BOILERS PRIVATE LIMITED:

- (1) The total income and profits before tax were higher than last year. The total income was ₹1,050 lakh against ₹983 lakh in the preceding year and the profit before tax was ₹304 lakh against ₹208 lakh last year. The capacity utilization was also higher.
- (2) In spite of lockdown full and partial during the year due to Covid pandemic, the capacity utilization was higher as the employees worked from home with the help of various measures taken by the Company.
- (3) Capability enhancement:
As a result of training received from the Joint Venture Partner SFW over the years, the company is now involved in basic design for multiple projects. Finite element Analysis capability has been established in the company during the year, and work on engineering of complex plated structure was also performed.
- (4) Manpower, Hardware & Software:
Due to increased workload, both manpower, hardware & software were added. In the context of emerging market conditions, the company has initiated various measures to improve retention of trained and talented employees.
- (5) As for the next year ending 31st March, 2023, the Company is expecting new project work assignment from the Joint Venture Partner. The Company is, therefore, expected to do well in the coming year.

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

- (1) In spite of Covid-19 pandemic, the total income and profits before tax were higher than last year. The total income was ₹37,12,88,212 against ₹26,25,39,390 in the preceding year and the profit before tax was ₹1,45,72,089 against loss of ₹(3,87,60,311) last year.
- (2) The Company got opportunity to execute orders on De-Dusting Systems for a steel plant and Semi dry Fuel Gas Desulfurization System. The second wave of Covid impacted the completion and commissioning of these projects and the performance could not be established. This has affected our order booking.
- (3) Based on our previous learning, our execution at site has improved a lot and we have been able to overcome the initial teething troubles. This resulted in reducing the costs and improving the margins.
- (4) As for the year ending March 31, 2023, we continue to focus, along with our Joint Venture Partner, Redecam-Italy, in providing solutions to flue gas cleaning system for Sox Removal (for power plants & Municipal Solid Waste) and De-Dusting of large capacity in steel and other plants. With the performance getting established in the De-Dusting project being executed for a Steel Plant, we are confident of receiving more orders for these applications during the year.
- (5) Focus is given to make standard modular bag filter designs, which shall help us in addressing cement and other nuisance filter applications. The exercise is on-going.

(F) EAGLE PRESS & EQUIPMENT CO. LIMITED (WHOLLY OWNED SUBSIDIARY COMPANY):

- (1) Operations at Eagle Press seem to be recovering after the adverse impact of Covid-19 as well as Chip Shortages which severely affected majority of Eagle Press customers in the Automobile Sector, resulting in reduced sales and workload. There were also major issues in supply chain which adversely affected the targeted revenues in FY-22.
- (2) After a dip in sales for three consecutive years (FY-19, 20 & 21), order booking in FY-22 was better at CAD 21 Million. In a depressed market, most of the new orders booked and executed in FY-22 were at very tight margins under stiff competition.

An abnormal hike in steel prices and other inputs further adversely affected value addition.

- (3) In view of the current strong pipeline of sales leads, we expect order booking to further improve as the US economy is likely to grow. An increase of about 30% in sales is targeted for FY-23.
- (4) Steps to take-up value engineering, control purchase costs, as well as operational costs have been taken. We are hopeful that next year will be much better, however, this will depend mostly on booking of fresh orders.

(G) CAVITE BIOFUEL PRODUCERS INC. (CBPI):

- (1) Philippines was affected by Covid-19 for the last two years. In view of this we could neither start the construction to complete the CBPI Plant nor we could interact with potential buyers to sell the Plant. The situation in the Philippines is now normal.
- (2) Based on our interaction with potential buyers, it is understood that a better valuation will be available if the Plant construction is restarted or when the Plant is completed.
- (3) We are, therefore, starting the construction to complete the CBPI Plant and hope to complete the construction by June 2023.
- (4) To meet the construction cost, a loan of Philippine Pesos 1152 million (about ₹172 crore) has been sanctioned by Standard Chartered Bank-Philippines. Apart from security of assets of CBPI, the loan is secured by Standby Letter of Credit to be issued by Standard Chartered Bank-India out of our Non-Fund Based limits.
- (5) Although, we feel that we can run the Plant and the operations are viable, but in case any potential buyer is found at reasonable price, we will consider selling the Plant.

(H) Other Wholly Owned Subsidiary Companies:**(i) Free Look Software Private Limited and Isgec Exports 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.

(iii) Isgec Covema Limited:

The Company continued to execute orders for Erection and Commissioning of Boilers. Financial results were satisfactory. Turnover was ₹1,214.85 lakh against ₹2,887.02 lakh. Profit before tax was ₹310.59 lakh against ₹374.36 lakh last year.

19.00 AMOUNTS TRANSFERRED TO RESERVES, IF ANY:

19.01 No amount was transferred to the Reserves during the year ended 31st March, 2022.

20.00 DIVIDEND:

20.01 Your Directors are pleased to recommend a dividend of ₹2/- (Rupees Two only) per equity share of the Company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result in a total outflow of ₹14,70,59,020/- (Rupees Fourteen Crore Seventy Lakh Fifty Nine Thousand Twenty only).

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

21.01 There have been no material changes and commitments, 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.

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

22.01 The required information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed hereto as **Annexure-4**.

23.00 RISK MANAGEMENT POLICY:

23.01 The Board has developed and implemented a Risk Management Policy for the Company including identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company. Risk Management Policy is available on the website of the Company at <https://www.isgcec.com/pdf/RiskManagementpolicynew1.pdf>

24.00 CORPORATE SOCIAL RESPONSIBILITY:

24.01 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. Vishal Kirti Keshav Marwaha (DIN: 00164204)	Member

24.02 The Company has developed and implemented a policy on Corporate Social Responsibility in accordance with Section 135 read with rules made thereunder. Details of initiatives and activities undertaken by the Company and Corporate Social Responsibility amount spent during the financial year are given under annual report on Corporate Social Responsibility as **Annexure-5**.

24.03 The Corporate Social Responsibility Policy is available on the website of the Company at <https://www.isgcec.com/about-us-csr-policy.php>

25.00 ANNUAL EVALUATION BY THE BOARD:

25.01 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.

25.02 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.

25.03 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.

26.00 CHANGES IN NATURE OF BUSINESS, IF ANY:

26.01 There is no change in the business of the Company during the year under report.

27.00 DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED:

27.01 Mrs. Nina Puri, Whole-time Director (DIN: 01316769) resigned from the position of Whole-time Director with effect from close of business hours on March 31, 2021 and continued to act as a Non-Executive Non Independent Director thereafter. Mrs. Nina Puri, resigned from the Board of the Company with effect from the conclusion of the Board Meeting held on June 28, 2021.

The Directors place on record the appreciation of services rendered by Mrs. Nina Puri as Whole-time Director and Director of the Company.

27.02 Mr. Arvind Sagar (DIN: 09210612) was appointed as an Additional Independent Director on the Board from the conclusion of the Board Meeting held on June 28, 2021 and his appointment as an Independent Director was approved by the members for a term of five (5) years with effect from the conclusion of the Board Meeting held on June 28, 2021 upto and including June 27, 2026.

27.03 Mr. Kishore Chatnani (DIN: 07805465) was appointed as an Additional Director on the Board from the conclusion of the Board Meeting held on June 28, 2021 and his appointment as a Whole-time Director was approved by the members for a period of five (5) years beginning from the conclusion of the Board Meeting held on June 28, 2021 upto and including June 27, 2026.

27.04 Mr. Sanjay Gulati (DIN: 05201178) was appointed as an Additional Director on the Board from the conclusion of the Board Meeting held on June 28, 2021 and his appointment as a Whole-time Director was approved by the members for a period of five (5) years beginning from the conclusion of the Board Meeting held on June 28, 2021 upto and including June 27, 2026.

27.05 Mr. Ranjit Puri (DIN: 00052459), who retired by rotation and was appointed as a Non-Executive Director.

27.06 Mrs. Shivani Hazari (DIN: 00694121), Independent Director, resigned from the Board of the Company with effect from March 12, 2022. The Directors place on record the appreciation of services rendered by Mrs. Shivani Hazari as Independent Director of the Company.

28.00 STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTORS APPOINTED:

28.01 Statement regarding the opinion of the Board with regard to integrity, expertise and experience (including the online proficiency self-assessment test) of the Independent Directors appointed during the year is annexed hereto as **Annexure-6**.

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

29.01 No new company has become or ceased to be a subsidiary, joint venture and associate company during the year.

30.00 DEPOSITS:

30.01 The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits was outstanding as on the date of close of the financial year.

31.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

31.01 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.

32.00 INTERNAL FINANCIAL CONTROLS:

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

33.00 MAINTENANCE OF COST RECORDS:

33.01 The Company is maintaining Cost Records as per provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

34.00 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

34.01 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.

34.02 The Company has not received any complaint during the year under report and none is pending.

35.00 COMPOSITION OF AUDIT COMMITTEE:

35.01 The composition of Audit Committee is as below:-

S. No.	Name of the Committee Member	Position
1.	Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204)	Chairman
2.	Mr. Aditya Puri (DIN: 00052534)	Member
3.	Mr. Sidharth Prasad (DIN: 00074194)	Member
4.	Mr. Arvind Sagar* (DIN: 09210612)	Member

* Mr. Arvind Sagar, Non-Executive Independent Director, was inducted as member of the Audit Committee on January 24, 2022.

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

36.00 REPORT ON CORPORATE GOVERNANCE:

36.01 Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed as **Annexure- 7**.

37.00 CONSOLIDATED FINANCIAL STATEMENTS:

37.01 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.

37.02 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 annexed as **Annexure-8**.

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

38.01 Disclosures regarding remuneration as required under Section 197 (12) of the Companies Act, 2013, are annexed as **Annexures-9**.

38.02 Annexure giving certain details about the employees, in receipt of remuneration of not less than one crore 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 Board's 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.

39.00 VIGIL MECHANISM:

39.01 The Board has framed Vigil Mechanism/Whistle Blower Policy for Director, Stakeholders, Individual Employees and their Representative Bodies in accordance with Section 177 (9) of the Companies Act, 2013 read with Rules made thereunder, Regulation 4 (2) (d)

and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Regulation 9A (6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Vigil Mechanism Policy has been disclosed on the website of the Company at <https://www.isgpec.com/pdf/VigilMechanismWhistleBlowerPolicy-10.06.2021.pdf>

40.00 DIVIDEND DISTRIBUTION POLICY:

40.01 Company's Dividend Distribution Policy approved by the Board has been disclosed on the website of the Company at <https://www.isgpec.com/pdf/Dividend-Distribution-Policy-1219.pdf>

41.00 SECRETARIAL AUDIT REPORT:

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

41.02 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-10**.

42.00 SECRETARIAL STANDARDS:

42.01 The Company complies with all applicable secretarial standards.

43.00 PERSONNEL:

43.01 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.

44.00 ACKNOWLEDGEMENTS:

44.01 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.

44.02 With these remarks, we present the Accounts for the year ended March 31, 2022.

BY ORDER OF THE BOARD

Aditya Puri
Managing Director
DIN:00052534

Arvind Sagar
Director
DIN: 09210612

Date: May 28, 2022
Place: Noida

Annexure - 1

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013, AS AT 31-03-2022

(₹ 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	As at March 31, 2022	As at March 31, 2021
1	Guarantees Given to Banks for Subsidiary and Joint Venture Companies:			
	Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	52,187.50	48,182.78
	Isgec Titan Metal Fabricators Pvt. Ltd.	Corporate Guarantees to Secure Working Capital Bank facility	5,950.00	5,950.00
	Isgec Redecam Enviro Solutions Pvt. Ltd.	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00	2,000.00
		Total	60,137.50	56,132.78
2	Guarantees Given to Wholly Owned Subsidiary Companies:			
	Eagle Press & Equipment Co. Ltd., Canada	SBLC provided by HSBC India out of our Non Fund Based limits to HSBC Canada to secure Term Loan and Working Capital Credit Facilities to Eagle Press & Equipment Co. Ltd., Canada	6,517.80	7,427.20
		Total	6,517.80	7,427.20
3	Loans to Subsidiaries :			
	Isgec Investments PTE Ltd. Singapore	To meet expenses of Subsidiary Company	5,246.63	3,169.15
	Eagle Press & Equipment Co., Ltd. Canada	For Capital Expenditure and Working Capital Facility	3,629.40	1,160.50
		Total	8,876.03	4,329.65

4	Investment	Face Value ₹ per Share / Unit	No. of Shares/ Unit	As at March 31, 2022	As at March 31, 2021
	Equity Shares of Subsidiary Companies (At cost):				
	Isgec Covema Limited	10	2000000	200.00	200.00
	Isgec Exports Limited	10	100000	10.00	10.00
	Isgec Engineering & Projects Limited	10	4000000	400.00	400.00
	Saraswati Sugar Mills Limited	10	7099900	7,009.99	7,009.99
	Freelook Software Private Limited	10	24650	1,306.45	1,306.45
	Eagle Press & Equipment Co. Ltd.	CAD 1	4500000	2,643.05	2,643.05
	Isgec Investments PTE Ltd.	SGD 1	10000	5.20	5.20
	Isgec Hitachi Zosen Limited	10	51000000	5,100.00	5,100.00
	Isgec SFW Boilers Pvt. Limited	10	1020000	102.00	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510000	51.00	51.00
	Isgec Redecam Enviro Solutions Pvt. Limited	10	1020000	102.00	102.00
			Total :	16,929.69	16,929.69
			Grand Total :	92,461.02	84,819.32

Annexure - 2
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1 Details of contracts or arrangements or transactions not at Arm's length basis: Nil

2 Details of material contracts or arrangements or transactions at Arm's length basis are as under:

Sr No	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction value (₹ in lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Sale of Goods	1 Year	Sale of material	2282.38		NIL
2	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Services received	1 Year	Services received	127.56		NIL
3	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Rendering of services	1 Year	Rendering of Engineering Services	160.12		NIL
4	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Purchase of goods	1 Year	Purchase of consumables	14.18		NIL
5	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Rent Paid	1 Year	Rent paid for the storage used	14.24		
6	Isgec Hitachi Zosen Limited	Subsidiary with 51% Shareholding	Sub Lease of Plant & Machinery, equipments and other movable assets.	10 Years	Sub-leasing of Equipments, Plant & Machinery and other movable assets, Lease rent	2835.00	13-01-2012	NIL
7	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Raw Materials	2049.69		NIL
8	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Sale of Materials	1 Year	Sale of Materials	1.43		NIL
9	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of services	705.06		NIL

Sr No	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction value (₹ in lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
10	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Services Received	1 Year	Services received	102.84		NIL
11	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Purchase of Fixed Assets	1 Year	Purchase of Fixed Assets	11.14		NIL
12	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Reimbursement received for resources utilisation	1 Year	Reimbursement received for resources utilisation	6.19		NIL
13	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Raw Materials	242.49		NIL
14	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Sale of Goods	1 Year	Sale of Materials	38.98		NIL
15	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services	174.54		NIL
16	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Rent received	1 Year	Rent received on lease of office building	155.00		NIL
17	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Reimbursement received for resources utilisation	1 Year	Reimbursement received for resources utilisation	180.70		NIL
18	Isgec SFW Boilers Private Limited	Subsidiary Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services	74.48		NIL
19	Isgec SFW Boilers Private Limited	Subsidiary Company with 51% Shareholding	Services Received	1 Year	Services received	54.93		NIL

Sr No	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction value (₹ in lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
20	Isgec Redecam Enviro Solutions Private Limited	Subsidiary Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Materials	1941.40		NIL
21	Isgec Redecam Enviro Solutions Private Limited	Subsidiary Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering and other Services	109.74		NIL
22	Eagle Press & Equipment Co. Limited	Wholly Owned Subsidiary Company	Sale of Materials	1 Year	Sale of Materials	286.75		NIL
23	Eagle Press & Equipment Co. Limited	Wholly Owned Subsidiary Company	Loans given	1 Year	Loans given	2468.90		NIL
24	Eagle Press & Equipment Co. Limited	Wholly Owned Subsidiary Company	Interest on loan	1 Year	Interest on loan	161.86		NIL
25	Eagle Press & Equipment Co. Limited	Wholly Owned Subsidiary Company	Services received	1 Year	Services received	1.86		NIL
26	Isgec Investments PTE Ltd.	Wholly Owned Subsidiary Company	Loans given	1 Year	Loans given	2077.48		NIL
27	Isgec Investments PTE Ltd.	Wholly Owned Subsidiary Company	Interest on loan	1 Year	Interest on loan	245.59		NIL
28	Isgec Covema Limited	Wholly Owned Subsidiary Company	Rendering of services	1 Year	Rendering of Services	240.00		NIL
29	Isgec Covema Limited	Wholly Owned Subsidiary Company	Rent received	1 Year	Rent received for office space utilisation	0.36		
30	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Purchase of Goods	1 Year	Purchase of electrical goods, Oil & Lubricants	146.71		NIL

Sr No	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction value (₹ in lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
31	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Rendering of services	1 Year	Rendering of Services	12.00		NIL
32	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Rent received	1 Year	Rent received on lease of office building	3.00		NIL
33	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Purchase of Fixed Assets	1 Year	Purchase of Fixed Assets	6.05		NIL
34	Isgec Engineering & Projects Limited	Wholly Owned Subsidiary Company	Rent Paid	1 Year	Rent paid on lease of building	8.64	31-10-2015	NIL
35	Bluewater Enterprises	Firm in which Directors are Partners	Rent Paid	10 Years	Rent paid on lease of office building	69.98	31-01-2009	NIL
36	Mr. Ranjit Puri	Chairman	Directors sitting fee	1 Year	Remuneration and Directors sitting fee	5.45		NIL
37	Mr. Aditya Puri	Managing Director	Remuneration	1 Year	Remuneration	500.00		NIL
38	Mr. Aditya Puri	Managing Director	Rent received	1 Year	Rent received on lease of building	11.25		NIL
39	Mrs. Nina Puri	Director / Relative of Director	Directors sitting fee	3 months	Remuneration and Directors sitting fee	2.06		NIL
40	Mrs. Nina Puri	Director / Relative of Director	Rent Paid	1 Year	Rent paid for the premises used as guest house	33.00		NIL

Sr No	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Transaction value (₹ in lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
41	Mr. Kishore Chatnani *	Whole-time Director and Chief Financial Officer	Remuneration	1 Year	Remuneration	114.85		NIL
42	Mr. Sanjay Gulati #	Whole-time Director and Head - Manufacturing Units	Remuneration	1 Year	Remuneration	80.93		NIL
43	Mr. Sidharth Prasad	Director	Directors sitting fee	1 Year	Remuneration and Directors sitting fee	6.25		NIL
44	Mr. Vishal Kirti Keshav Marwaha	Director	Directors sitting fee	1 Year	Remuneration and Directors sitting fee	5.95		NIL
45	Mrs. Shivani Hazari	Director	Directors sitting fee	1 Year	Remuneration and Directors sitting fee	3.44		NIL
46	Mr. Arvind Sagar	Director	Directors sitting fee	9 months	Remuneration and Directors sitting fee	3.29		NIL

* Remuneration of Mr. Kishore Chatnani is in the position of Chief Financial officer upto 27th June 2021 and as Whole Time Director & Chief Financial Officer w.e.f. 28th June 2021

Salary of Mr. Sanjay Gulati is in the position of Head - manufacturing units upto 27th June 2021 and as Whole Time Director & Head Manufacturing Units w.e.f. 28th June 2021

Annexure - 3

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO

	Ratios	Numerator	Denominator	FY 2021-2022	FY 2020-2021	Percentage variance	Comments
1	Trade Receivables Turnover Ratio	Revenue from operation	Average trade receivables	1.80	1.94	-7.27	
2	Inventory Turnover Ratio	Sale of products	Average inventory	7.69	7.58	1.46%	
3	Interest Coverage Ratio	Profit before interest and tax	Interest cost	8.37	16.96	-50.66%	It is lower due to reduction in profitability. Reason for lower profitability is given in Para 6.
4	Current Ratio	Current assets	Current liabilities	1.42	1.42	-	
5	Debt Equity Ratio	Total debt = Long term borrowings + short term borrowings	Total equity	0.05	0.05	-	
6	Operating Profit Margin	Profit before interest and tax	Total revenue	3.74%	6.96%	-46.31%	Profitability has been reduced due to (a) adverse impact of commodity price increase, particularly of steel and other metals, (b) time & cost overruns on projects (c) shortage of skilled manpower and (d) sharp increase in freight cost as a result of Covid-19 related disruptions. Employee cost was also higher as compared to last year as there was salary cut last year.
7	Net Profit Margin	Net profit after tax	Total revenue	2.54%	5.06%	-49.87%	
8	Return on net worth	Profit after tax	Total equity	6.33%	13.03%	-51.45%	

PARTICULARS REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**A. CONSERVATION OF ENERGY:****(i) The steps taken or impact on Conservation of Energy:**

Steps taken towards ensuring conservation of energy is a continuing process. These steps continued during the year as under:-

(a) Steps to save energy:

1. Installing energy efficient ceiling fan, air conditioners, LED lights in offices and factories.
2. Our energy conservation team along with Plants' Maintenance Department worked in concert and have taken various steps to conserve energy such as:
 - Replacement of conventional manual method of welding, with PLC control automatic GTAW welding process.
 - Replacement of old TIG Machines with high efficient IGBT controlled machines.
 - Replacement of old Plasma Machines with high efficient Inverter controlled machines.
 - Replacement of conventional DOIL with AC Drive panels.
 - Replacement of ON-OFF control timer with LDR (light depending relay).

(b) Steps to conserve heat energy:

We continue to use Re-gasified Compressed Natural Gas (RCNG) for heating purposes in place of High-Speed Diesel (HSD) and Liquified Petroleum Gas (LPG).

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

The Solar Power Plants of 1,750 KW capacity installed in our Yamunanagar and Rattangarh Works continued to generate energy. 22,22,487 units were generated during the year.

(iii) Capital Investment on energy conservation equipment:

Approximately ₹100 lakh.

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 up to 99.9 Mwe (since renewed in April 2022).
- For Reheat design for CFBC Boilers up to 100 MW.

(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 (Woods plc.):

- 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. Air Pollution Control Equipment:

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

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

- (iii) With Babcock Power Environmental, USA, for Wet Flue Gas De-sulpharization units for reduction of SOx.
- (iv) With Sumitomo SHI FW Energia OY, Finland, for Circulating Fluidized Bed Scrubbers for Power Plants and Industrial Purposes for reduction of SO₂.
- (v) With UCC Environmental, USA, for Dry Sorbent Injection (DSI) Technology for removal of SOx.

3. Presses:

With AP& T., Sweden, for Hot Stamping Presses.

4. Process Equipment:

- (i) With TEi, USA, for Screw Plug Heat Exchangers and Process Waste Heat Boilers.
- (ii) With CB&I Technology Inc. (formerly, CB&I Lummus) for design and manufacture of Helix Heat Exchangers.
- (iii) With Amec Foster Wheeler Energia S.L.U, Spain (Woods plc.), for Feed Water Heaters and Surface Condensers.

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 clarifications, the designs are vetted by the collaborators. This process continued during the year.

- (b) During the year, the Company entered into the following new technology agreements:-

Dry Sorbent Injection (DSI) Technology:

The Company entered into a collaboration with UCC Environmental, USA, for Dry Sorbent Injection (DSI) Technology). With this the Company increased its De SOx Technology Portfolio and now possess all major Flue Gas Desulphurization technologies. This agreement has been entered into recently and one order has been booked. The project is yet to start.

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

Product development in certain cases, as well as 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 beginning of the financial year):

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	Circulating Fluidized Bed Scrubbers for Power Plant and Industrial Purposes (Semi Dry FGD) from Sumitomo SHI FW Energia OY, Finland, for reduction of SO ₂ in units of Thermal Power, etc.	From BHI FW Corporation, USA for Combustion Modifications of Tangentially Fired Boilers.	From UCC Environmental, USA, for Dry Sorbent Injection (DSI) Technology
(b) Year of Import	Year ended 31 st March 2020.	Year ended 31 st March 2021.	Year ended 31 st March 2022.
(c) Whether technology has been fully absorbed	Not yet.	Not yet.	Not yet.
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	One project is presently being executed with this technology. The technology will be fully absorbed as more projects are executed in the next few years.	One project is presently being executed with this technology. The technology will be fully absorbed as more projects are executed in the next few years.	The agreement has been entered into recently. Technology will be absorbed on completion of the Project for which orders has been booked.

ANNUAL REPORT ON CSR ACTIVITIES

1 Brief outline on CSR Policy of the Company :

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

- (i) Multi-year Ongoing Project regarding Water Harvesting System, and Solar Power System for ensuring environmental sustainability and conservation of natural resources and maintaining quality of soil, air and water
- (ii) Programme for renovation of buildings of schools, providing desk, dharis and white boards, books and other educational material
- (iii) Imparting training for employment enhancing vocational skill under Apprentices and National Employment Enhancement Mission Scheme
- (iv) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to swach bharat kosh set up by the Central Government for the promotion of sanitation) and making available safe drinking water
- (v) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects
- (vi) Rural Development projects
- (vii) Disaster management, including relief , rehabilitation and reconstruction activities including COVID-19
- (viii) 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	Numbers of CSR Committee meeting held	Numbers of CSR Committee meeting attended
1	Mr. Ranjit Puri (DIN: 00052459)	Chairman	1	1
2	Mr. Aditya Puri (DIN: 00052534)	Member	1	1
3	Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204)	Member	1	1

- 3 Web-link where Composition of CSR committee, CSR policy and CSR projects approved by board are disclosed on the website of the Company: <https://www.isgcec.com/aboutus-csr-policy.php>
- 4 Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : : Not applicable
- 5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S.No.	Financial Year	Amount available for set- off from preceding financial years (in ₹)	Amount required to be set- off for the financial year (in ₹)
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Nil

6 Average net profit of the company as per section 135(5): ₹23,908.13 Lakhs**7 Calculation of CSR obligation:**

		(₹ in Lakhs)
(a)	Two percentage of average net profit	478.16
(b)	Surplus arising out of CSR projects or programmes or activities of the previous financial year	101.12
(c)	Amount required to be set off for the financial year	-
(d)	Total CSR obligation for the financial year (a+b-c)	579.28

8 (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
418.35	160.93	4/29/2022		Nil	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) S. No.	(2) Name of the CSR Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹ Lakhs)	(8) Amount spent in the current financial year (in ₹ Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing agency (Yes/No)	
				State	District						Name	CSR Registration Number
1	Providing Solar Power Systems	Promoting Education & Ensuring environmental sustainability	Yes	Haryana	Yamunanagar	Continuous		59.39		Yes	NA	NA
2	Rain Water Harvesting Systems	Promoting Education & Ensuring environmental sustainability	Yes	Haryana	Yamunanagar	Continuous	262.05	41.73	160.93	Yes	NA	NA
Total							262.05	101.12	160.93			

(c) Details of CSR amount spent against other than ongoing projects for the financial year :

(1) S. No.	(2) Name of the CSR Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakhs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation -Through Implementing agency (Yes/No)	
				State	District			Name	CSR Registration Number
1	Contribution to Trusts & Other Societies for promoting education	Promoting Education	Yes	Delhi	Delhi	15.00	No	Nai Disha Educational & Cultural Society	CSR00001786
2	Contribution to Trusts & Other Societies for promoting education	Promoting Education	Yes	Gujarat	Gandevi	10.00	No	Rotary club of Gandevi Charitable Trust	CSR00006048
3	Provided pulse Oximeter to Department of Industries	Covid Expenses	Yes	Haryana	Yamunanagar	2.49	Yes	NA	NA
4	Medical Oxygen Gas Generator Plant at ESI Hospital	Covid Expenses	Yes	Haryana	Yamunanagar	111.48	Yes	NA	NA
5	Provided 20 Numbers 10 kg Oxygen concentrators to Civil Hospital Yamunanagar	Covid Expenses	Yes	Haryana	Yamunanagar	21.42	Yes	NA	NA
6	Medical Oxygen Gas Generator Plant at Civil Hospital Muzaffarnagar	Covid Expenses	Yes	Uttar Pradesh	Muzaffarnagar	64.73	Yes	NA	NA
7	Provided 100 Numbers 7 Cubic Meter Cylinders for storage and transportation of Oxygen Gas to Civil Hospital Yamunanagar	Covid Expenses	Yes	Haryana	Yamunanagar	16.95	Yes	NA	NA

(1) S. No.	(2) Name of the CSR Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakhs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing agency (Yes/No)	
				State	District			Name	CSR Registration Number
8	Stipend Paid to Apprentice selected for Training & Skill development	Promoting employment enhancing vocational Skills	Yes	Haryana	Yamunanagar	48.78	Yes	NA	NA
9	Repair & Maintenance of existing Solar power systems at schools	Promoting Education & Ensuring environmental sustainability	Yes	Haryana	Yamunanagar	2.48	Yes	NA	NA
Total						293.33			

- (d) Amount spent in Administrative overheads (₹ in Lakhs) 23.9
- (e) Amount spent on Impact assessment, if applicable Not Applicable -
- (f) Total amount spent for the financial year (b+c+d+e) (₹ in Lakhs) 418.35

(g) Excess amount for set off, if any

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit	NA
(ii)	Total amount spent for Financial Year	
(iii)	Excess amount spent for Financial Year (ii-i)	
(iv)	Surplus arising out of CSR projects or programmes or activities of previous financial years, if any	
(v)	Amount available for set off in succeeding financial years (iii-iv)	

9 (a) Details of Unspent CSR amount for the preceding three financial years

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount (in ₹ Lakhs)	Date of transfer	
1	2018-19	Nil	Nil	NA	Nil	NA	Nil
2	2019-20	Nil	Nil	NA	Nil	NA	Nil
3	2020-21	101.12	101.12	NA	Nil	NA	Nil

(b) Details of CSR amount spent in financial year for ongoing projects of preceding financial years

(1) S.No.	(2) Project ID	(3) CSR Project	(4) Financial year in which the project was commenced	(5) Project duration	(6) Amount allocated for the project (in ₹)	(7) Amount spent in the reporting financial year (in ₹)	(8) Cumulative amount spent at the end of reporting financial year (in ₹)	(9) Status of project Completed/ ongoing
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Nil

- 10 **Creation or acquisition of capital asset from CSR spent** NIL
 (asset -wise details)
- (a) date of creation or acquisition NA
- (b) Amount of CSR spent for creation or acquisition of capital asset NA
- (c) Details of entity or public authority of beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Details of capital assets (including address and location) NA

11 **Specify the reasons, if the company has failed to spend the two per cent of the average net profit as per section 135(5):**

The Company has spent the two per cent of the average net profit of the last three financial years as per section 135(5).

Aditya Puri
(Managing Director)

Ranjit Puri
(Chairman - CSR Committee)

Annexure - 6

**STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE
(INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTOR APPOINTED DURING THE YEAR:
(As per sub rule 5 (iia) of Rule 8 of the Companies (Accounts) Rules, 2014)**

Name of the Director	Mr. Arvind Sagar
DIN	09210612
Board position held	Non-Executive Independent Director
Expertise	Mr. Arvind Sagar has 30 years' experience in process excellence, change management, business consulting, program management and operations and supply chain management.
Experience as a Director	1 year
Online proficiency selfassessment test being conducted by the Indian Institute of Corporate Affairs (IICA)	His name has been included in the data bank as on June 23, 2021, maintained by the Indian Institute of Corporate Affairs (IICA) as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. He is eligible to give an online proficiency self-assessment test conducted by the IICA within two years from the date of inclusion of his name in the data bank.
Board's opinion	In the Performance Evaluation conducted for the year 2021-22, the performance of Mr. Arvind Sagar was evaluated as satisfactory. He is effective and efficient in discharging his responsibilities as an Independent Director of the Company. Accordingly, in the Board's opinion, he is a person of integrity and possesses relevant expertise and experience and that his association would be of immense benefit to the Company in future.

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 believes in both letter and spirit that sound Corporate Governance is critical for enhancing and retaining investor trust. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

The Company also fulfills its obligations of compliance with regard to Board of Directors including Independent Directors, Committees and appointment of Compliance

Officer, filing on electronic platform and with Stock Exchanges and publishing in newspapers.

2. BOARD OF DIRECTORS:

(a) The Board comprises of a Non-Executive Chairman (Promoter), one Executive Director (Promoter) and two Executive Directors (Non Promoter). In addition it had four Non-Executive Independent Directors until March 11, 2022, whereafter one Non-Executive Independent Director resigned.

(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 Chairperson:

Name of the Director	No. of Board Meetings held during the tenure	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 Director (Promoter)							
Mr. Ranjit Puri Chairman	5	5	Yes	4	0	1	1
Mrs. Nina Puri*	2	2	-	1	-	-	-
Executive Director (Promoter)							
Mr. Aditya Puri, Managing Director	5	5	Yes	9	0	2	0
Executive Directors							
Mr. Kishore Chatnani* Whole-time Director & CFO	3	3	Yes	3	0	0	0
Mr. Sanjay Gulati* Whole-time Director & Head-Manufacturing Units	3	3	Yes	1	0	0	0

Name of the Director	No. of Board Meetings held during the tenure	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
Independent Non-Executive Directors							
Mr. Arvind Sagar*	3	3	Yes	0	0	0	0
Mr. Sidharth Prasad	5	5	Yes	2	6	0	0
Mrs. Shivani Hazari*	5	3	Yes	0	3	0	0
Mr. Vishal Kirti Keshav Marwaha*	5	5	Yes	0	1	0	0

*

- Mrs. Nina Puri was Whole-time Director till close of business hours on March 31, 2021. She continued as Non-Executive Non Independent Director till conclusion of the Board meeting held on June 28, 2021.
- Mr. Kishore Chatnani, CFO & Head-Corporate Accounts & Treasury, was appointed as Whole time Director and CFO and Mr. Sanjay Gulati, Head -Manufacturing Units was appointed as Whole-time Director and Head-Manufacturing Units, from the conclusion of the Board Meeting held on June 28, 2021.
- Mr. Arvind Sagar, was appointed as Non-Executive Independent Director from the conclusion of the Board Meeting held on June 28, 2021.
- Mrs. Shivani Hazari, Non-Executive Independent Director resigned w.e.f. March 12, 2022. One of the Private Limited Company where she is director, is under process of striking off.
- Mr. Vishal Kirti Keshav Marwaha is Director in one Private Limited Company which is under liquidation.

DETAILS OF DIRECTORSHIP HELD IN LISTED ENTITIES

S. No.	Name of Director	Name of Listed Entities	Category
1.	Mr. Ranjit Puri	M/s. Isgec Heavy Engineering Limited	Non-Executive Non Independent Director
		M/s. The Yamuna Syndicate Limited	Non-Executive Non Independent Director
		M/s. Jullundur Motor Agency Limited	Non-Executive Non Independent Director
2.	Mr. Aditya Puri	M/s. Isgec Heavy Engineering Limited	Executive Director
		M/s. The Yamuna Syndicate Limited	Non-Executive Non Independent Director
3.	Mrs. Nina Puri	M/s. Isgec Heavy Engineering Limited	Non-Executive Non Independent Director
4.	Mr. Kishore Chatnani	M/s. Isgec Heavy Engineering Limited	Executive Director
		M/s. The Yamuna Syndicate Limited	Non-Executive Non Independent Director
5.	Mr. Sanjay Gulati	M/s. Isgec Heavy Engineering Limited	Executive Director
6.	Mr. Arvind Sagar	M/s. Isgec Heavy Engineering Limited	Independent Director
7.	Mr. Sidharth Prasad	M/s. Isgec Heavy Engineering Limited	Independent Director
8.	Mrs. Shivani Hazari	M/s. Isgec Heavy Engineering Limited	Independent Director
9.	Mr. Vishal Kirti Keshav Marwaha	M/s. Isgec Heavy Engineering Limited	Independent Director

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

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

- ▶ June 10, 2021
- ▶ June 28, 2021
- ▶ August 11, 2021
- ▶ November 12, 2021
- ▶ February 12, 2022

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

- ▶ Mr. Ranjit Puri is husband of Mrs. Nina Puri and father of Mr. Aditya Puri;
- ▶ Mrs. Nina Puri is wife of Mr. Ranjit Puri and mother of Mr. Aditya Puri;
- ▶ Mr. Aditya Puri is son of Mr. Ranjit Puri and Mrs. Nina Puri;

No other Director is related inter-se..

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

Sl. No.	Name of Director	Number of Shares held
1.	Mr. Ranjit Puri	65,92,010
2.	Mrs. Nina Puri	1,59,530
3	Mr. Arvind Sagar	Nil
4.	Mr. Sidharth Prasad	Nil
5.	Mr. Vishal Kirti Keshav Marwaha	Nil

(g) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:

<https://www.isgec.com/aboutus-independent-directors.php>

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

In terms of the requirement of Listing Regulations, 2015 (as amended), the Board has identified the following core skills/expertise/competencies of the directors in the context of the Company's business :

Name of the Director	Industry Knowledge & experience	Leadership	Business Strategy, Governance & Decision making	Technology	Management of Food and Hospitality Industry including Financial Management.	Human Resource Management	Expertise and experience in Finance, Management & Legal	Exports, Marketing & Planning
Mr. Ranjit Puri	✓	✓	✓					
Mr. Aditya Puri	✓	✓	✓					
Mrs. Nina Puri			✓					
Mr. Kishore Chatnani		✓	✓	✓			✓	
Mr. Sanjay Gulati		✓	✓			✓		✓
Mr. Arvind Sagar				✓				✓
Mr. Sidharth Prasad					✓			
Mrs. Shivani Hazari*						✓		
Mr. Vishal Kirti Keshav Marwaha							✓	

(i) Board Independence:

All Independent Directors, have provided annual declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, Rule 6 (1) and (2) of the Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2019 and

Listing Regulations. Based on the confirmations/disclosures/declarations received, the Board confirms that the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

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

(j) Resignation of an Independent Director:

Mrs. Shivani Hazari, due to paucity of time, could not appear for the Online Proficiency Self-Assessment Test conducted by the Indian Institute of Corporate Affairs (IICA), within the expiry of two years from her endorsement in the databank maintained by IICA. Being not eligible to continue as an Independent Director she resigned with effect from March 12, 2022. She also confirmed that there are no other material reasons other than those provided.

No other Independent Director resigned from the Company during the year under consideration.

- Disclosure of any related party transactions;
- Qualifications in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(vi) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the company with related parties;

(ix) Scrutiny of inter-corporate loans given and investments;

(x) Valuation of undertakings or assets of the company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up thereon;

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

3 AUDIT COMMITTEE:**(a) Brief description of terms of reference:**

Terms of reference are as under:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

(iv) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;

- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the vigil mechanism;
- (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is assigned by the Board from time to time;
- (xxi) Examination of the financial statement and the auditors' report thereon;
- (xxii) Monitoring the end use of funds raised through public offers and related matters;
- (xxiii) To review the utilization of loan/advances/ investment by holding company in subsidiary company exceeding ₹100 crore or 10% of the asset size of the subsidiary company, whichever is lower.

The Company has systems and procedures in place to ensure that the audit committee mandatorily reviews the following information:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (iii) management letters/letters of internal control weaknesses issued by the statutory auditors;
- (iv) internal audit reports relating to internal control weaknesses;
- (v) the appointment, removal and terms of remuneration of the chief internal auditor; and
- (vi) statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) (whenever applicable);
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) (whenever applicable).

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

Name of the Committee Member	Audit Committee Meeting dates				No. of meetings held during the tenure	No. of meetings attended
	June 28, 2021	August 11, 2021	November 12, 2021	February 12, 2022		
Mr. Vishal Kirti Keshav Marwaha, Chairman (Independent Director)	✓	✓	✓		4	3
Mr. Aditya Puri, Member (Managing Director)	✓	✓	✓	✓	4	4
Mr. Sidharth Prasad*, Member (Independent Director)	✓	✓	✓	✓	4	4
Mr. Arvind Sagar*, Member (Independent Director)				✓	1	1

*Mr. Arvind Sagar was inducted in the Audit Committee of the Company as member with effect from January 24, 2022.
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 the reference are as under:

- (1) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors

and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

- (2) Recommending to the Board, all remuneration, in whatever form, payable to the Senior Management;
- (3) 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.
- (b)&(c) Composition, name of members, chairman and meetings and attendance during the year:

Name of the Committee Member	Nomination and Remuneration Committee Meeting dates		No. of meetings held during the tenure	No. of meetings attended
	April 23, 2021	June 25, 2021		
Mr. Sidharth Prasad, Chairman (Independent Director)	✓	✓	2	2
Mr. Vishal Kirti Keshav Marwaha, Member (Independent Director)	✓	✓	2	2
Mrs. Shivani Hazari*, Member (Independent Director)	✓	-	2	1
Mr. Arvind Sagar*, Member (Independent Director)	-	-	-	-

* Mr. Arvind Sagar was inducted in the Nomination and Remuneration Committee of the Company as member with effect from March 16, 2022 subsequent to Ms. Shivani Hazari resigning from the Board w.e.f. March 12, 2022.

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) STAKEHOLDERS RELATIONSHIP AND GRIEVANCES COMMITTEE:

- (a) Mr. Ranjit Puri, Non-Executive Non-Independent Director, is the Chairman of the Stakeholders Relationship & Grievances Committee.

- (b) Mr. S.K. Khorana, Company Secretary, is the Secretary of the Committee and is the Compliance officer.

- (c) Number of Shareholders' complaints received so far:

1

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

0

- (e) Number of pending complaints:

0

(5A) RISK MANAGEMENT COMMITTEE:

- (a) Brief description of terms of reference:

The terms of reference are as under:

- (i) Overseeing key risks, including strategic, financial, operational and compliance risks;
- (ii) Assisting the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy;
- (iii) To develop appropriate cyber security measures;

- (iv) To encourage the Board to give cyber-security issues on a high priority and to strong oversight as part of good governance;
- (v) To help in security IT systems & mitigate cyber security risks by protecting the systems, applications, information & devices against unauthorized access and cyber-attacks;
- (vi) To take necessary steps to ensure security, integrity and confidentiality of records; and

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

Name of the Committee Member	Risk Management Committee Meeting dates		No. of meetings held during the tenure	No. of meetings attended
	August 02, 2021	January 18, 2022		
Mr. Sidharth Prasad, Chairman (Independent Director)	✓	✓	2	2
Mr. Aditya Puri, Member (Executive Director)	✓	✓	2	2
Mrs. Sanjay Gulati, Member (Executive Director)	✓	✓	2	2

(6) REMUNERATION OF DIRECTORS:

- (a) There has been no pecuniary relationship or transactions between the Company and non-executive Directors during the year 2021-22.
- (b) Sitting fee is paid to Non- Executive Directors as per limits laid under the Companies Act. Except for Commission of ₹25,000/- p.a. to each Non-Executive Director being paid for last many years, there is no other remuneration.

Details of Remuneration paid to Non-Executive Directors is given below:

Sl. No.	Name of Director	Nature of Payment and Amount (₹)		Total Amount (₹)
		Commission	Sitting Fee	
1.	Mr. Ranjit Puri	25,000	5,20,000	5,45,000
2.	Mr. Sidharth Prasad	25,000	6,00,000	6,25,000
3.	Mr. Arvind Sagar	18,973	3,10,000	3,28,973
4.	Mr. Vishal Kirti Keshav Marwaha	25,000	5,70,000	5,95,000
5.	Mrs. Shivani Hazari*	23,699	3,20,000	3,43,699
6.	Nina Puri	6,096	2,00,000	2,06,096
	Total	1,23,768	25,20,000	26,43,768

* Mrs. Shivani Hazari resigned as Independent Director w.e.f. March 12, 2022

(c) (i&ii) Detail of remuneration package of Executive Director is given below:

(₹ in lakhs)

Sl. No.	Particulars	Mr. Aditya Puri, Managing Director	Mr. Kishore Chatnani, Whole-time Director & CFO	Mr. Sanjay Gulati, Whole-time Director	Total
(i)	Salary	115.00	106.80	70.49	292.29
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	26.80	7.5	5.17	39.47
(iii)	Other Perquisites	2.08	0.55	5.27	7.9
(iv)	Commission	356.12	0	0	356.12
	Total	500	114.85	80.93	695.78
	Service Contract	Reappointed for 5 years till 30 th April 2026	5 years till 27 th June 2026	5 years till 27 th June 2026	
	Notice period				
	Severance fees	Nil	Nil	Nil	

(iii) With the approval of the Board of Directors and Shareholders each of the Executive Director has been issued appointment letter in accordance with limits laid down under the Companies Act & LODR.

(iv) Stock Options - NIL

(7) GENERAL BODY MEETINGS:

(a) & (b) Location and time where last three Annual General Meetings (AGMs) of the Company held and special resolutions passed thereat:

Financial Year ended	Date & Time	Venue	Special Resolution passed
March 31, 2019	August 10, 2019 11:30 A.M.	Office Premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana.	None
March 31, 2020	September 18, 2020 11:30 A.M.	Meeting held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Re-appointment of Mr. Sidharth Prasad (DIN: 00074194) and Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204) as Independent Directors.
March 31, 2021	September 17, 2021 11:30 A.M.	Meeting held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	1. Appointment of Mr. Ranjit Puri (DIN: 00052459) as a Non-Executive Director of the Company. 2. Increase in Borrowing Limits.

(c to f) Postal Ballot:

No Special resolution was passed by the Company during the year through postal ballot. No special resolution is proposed to be conducted through postal ballot.

(8) MEANS OF COMMUNICATION:

(a) & (b) Quarterly Results:

Yes, Published in Newspaper.

- (i) Business Line (English) and
- (i) Hari Bhoomi (Hindi)

(c) Any website, where displayed:

- (i) On Company's website : www.isgec.com
- (ii) On BSE's website: www.bseindia.com
- (iii) On NSE's website: www.nseindia.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, after publication of financial results for each quarter, have been having Investor/Analyst Meet through audio conference. Advance copies of presentations are filed with Stock Exchanges and also uploaded on Company's website.

9. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting date and time:

Annual General Meeting will be held on August 24, 2022 at 11.30 a.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

(b) Financial Year:

April 1, 2021 to March 31, 2022.

(c) Dividend Payment Dates:

September 20, 2022 for Dividend.

(d) Listing on Stock Exchanges:

BSE Limited (BSE)
25th Floor, P.J. Tower,
Dalal Street fort,
Mumbai-400001.

National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051 (w.e.f. May 05, 2021).

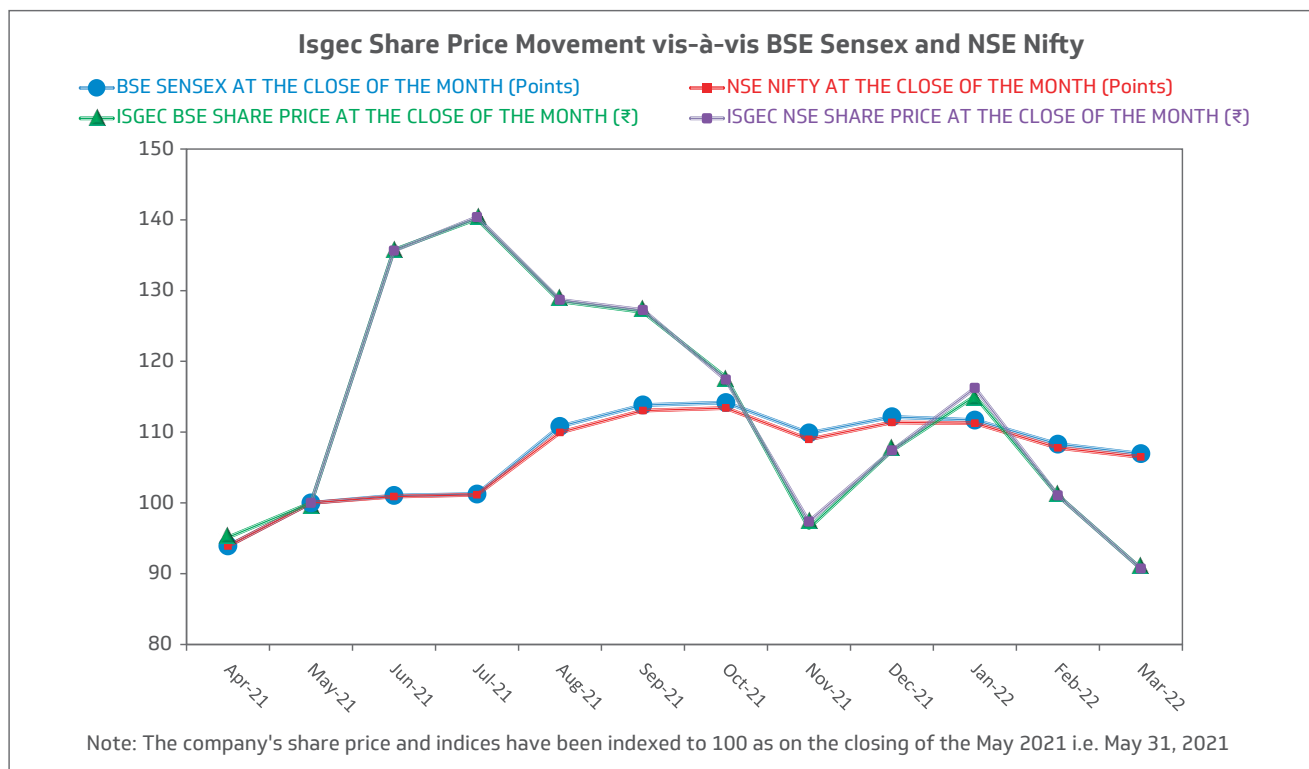
The Company has paid annual listing fee to BSE and NSE.

(e) Stock Code:

BSE – 533033
NSE – ISGEC.
ISIN – INE858B01029

(f) Market Price Data: High and Low during each month in the financial year 2021-2022 on BSE and NSE:

Month	BSE Limited		National Stock Exchange (NSE)	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April	589.75	461.30	-	-
May	609.00	525.10	618.00	524.15
June	824.40	551.65	825.00	552.00
July	877.00	739.90	878.35	743.75
August	865.00	641.00	870.00	641.10
September	835.00	715.70	835.00	715.20
October	748.75	656.80	748.75	655.35
November	714.50	538.80	710.00	538.15
December	670.05	532.00	669.00	530.50
January	774.00	585.20	709.00	585.85
February	686.05	485.00	686.30	503.00
March	890.00	503.75	592.45	504.05

(g) Share Price movement vis-a-vis BSE Sensex and NSE Nifty:(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:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of transmission and transposition. Members holding shares in physical form are requested to consider converting their holdings in dematerialized form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company.

(k) Distribution of shareholding:

The Distribution of shareholding as on March 31, 2022:

Shareholding of Nominal Value ₹	Shareholders		Share Amount	
	Number	% of Total	In ₹	% of Total
Up-to 5,000	35080	98.68	64,02,908	8.71
5,001 - 10,000	208	0.59	15,44,143	2.10
10,001 - 20,000	114	0.32	17,14,064	2.33
20,001 - 30,000	46	0.13	11,09,870	1.51
30,001 - 40,000	21	0.06	7,21,208	0.98
40,001 - 50,000	18	0.05	8,39,150	1.14
50,001 - 1,00,000	22	0.06	15,00,311	2.04
1,00,001 and above	39	0.11	5,96,97,856	81.19
TOTAL	35,548	100.00	7,35,29,510	100.00

Shareholding pattern as on March 31, 2022:

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	5	4,59,04,888	62.43
FIs, Banks & Mutual Funds	9	49,16,244	06.68
Others (Public)	35,534	2,27,08,378	30.89

 (l) Dematerialization of shares and liquidity :

The Company's equity shares are under compulsory demat trading for all categories of investors. A total of 7,24,36,160 shares have been dematerialised as on March 31, 2022, representing 98.51 % of the total equity capital.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/ Warrants or any Convertible Instruments and, therefore, there is no impact on equity.

(n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Board has laid down a Foreign Exchange Risk Management Policy, which is implemented for hedging Forex Risk. Further details are given in para 10(g) below.

(o & p) Plant and Business locations:

A.	Manufacturing Segment-Name	Plant Locations: Item of Manufacture	Address for correspondence
(i)	Radaur Road, Yamunanagar	Pressure Vessels & Heat Exchangers, Presses– Mechanical & Hydraulic, Boilers, Containers, 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.

B. Engineering, Procurement and Construction Segment- Business locations:

	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, Pimpri- Chinchwad, Maharashtra-411026

C. Other Business locations		Address for correspondence
	Name	
(i)	Mumbai	2 nd Floor, Great Social Building, 60 P Mehta Road, Fort Mumbai, Maharashtra-400001
(ii)	Kolkata	3 rd Floor Flat 3C, 34 A, Pratapgarh, Garfa, Kolkata, West Bengal-700075
(iii)	New Delhi	A-51, Vasant Marg, Vasant Vihar, New Delhi-110057

(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@isgrec.com

Registered Office: Radaur Road,
Yamunanagar-135 001,
Haryana.
Tel: 01732-661061
Email : roynr@isgrec.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-A.

10. OTHER DISCLOSURES

(a) Materially significant Related Party Transactions

There are no materially significant related party transactions which have potential conflict with the interests of the Company at large.

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

None

(c) Details of establishment of vigil mechanism/whistle blower policy and affirmation that no personnel has been denied access to the audit committee:

The Company has established a Vigil Mechanism/Whistle Blower Policy for Director, Stakeholders, Individual Employees and their Representative Bodies to report and communicate his/her/their genuine concerns, illegal or unethical practices and instances of leak of **Unpublished**

Price Sensitive Information. The Audit Committee of the Company oversees the Vigil Mechanism. The Vigil Mechanism has been disclosed on website of the Company. In case of appropriate or exceptional cases or if the complaint relates to the Key Managerial Personnel, Non-Independent Directors, the person complaining may report to or communicate with Mr. Vishal Kirti Keshav Marwaha, 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) Web link of the Policy for determining material Subsidiary Company: <https://www.isgrec.com/pdf/PolicyforDeterminingMaterialSubsidiaries.pdf>

(f) Web link of the Policy on dealing with Related Party Transactions: <https://www.isgrec.com/pdf/RPT.pdf>

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

The Company is exposed to commodity price risks for certain commodities such as steel for fabricated items and structures and steel for equipment and machinery; Base metals such as copper, aluminum and nickel, which have significant impact on the pricing of electrical items such as cables, control panels, etc. The company is also exposed to risks on cement and other construction materials for civil works in its projects.

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 customers' orders, bulk purchases using global sourcing options and hedging wherever available.

The Company has also evaluated the possibility of managing commodity price risk by hedging certain grades of steel and base metals i.e. copper, aluminum

and nickel on International Exchanges such as London Metal Exchange and Chicago Mercantile Exchange and is arranging to set up hedging facility through International brokers on these Exchanges.

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

Not Applicable

- (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:

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

- (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:

(₹. In Lakhs)

Particulars	M/s. Isgec Heavy Engineering Limited	M/s. Saraswati Sugar Mills Limited	M/s. Isgec Hitachi Zosen Limited	Total
Statutory Audit Fee	20.00	5.00	3.50	28.5
In other capacity	1.66	-	0.33	1.99
Reimbursement of Expenses	1.59	2.34		3.93
Total	23.25	7.34	3.83	34.42

- (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 2021-22 - NIL
- (b) Number of complaints disposed of during the financial year 2021-22 - NIL
- (c) Number of complaints pending as on end of financial year 2021-22 - NIL

- (m) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested, by name and amount:

No disclosure required as this is applicable w.e.f. April 1, 2022.

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:

None

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.

Date: May 28, 2022

Aditya Puri
Managing Director
(DIN: 00052534)

Annexure-A

LIST OF ALL CREDIT RATING OBTAINED BY THE ENTITY ALONGWITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR

Amount (₹/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/2019-20/S-83/1	17-02-2020	Continuing rating from previous year	400.00	[ICRA]AA (Stable)	2726.27	[ICRA]A1+	974.83	[ICRA]AA (Stable/A1+)	200.00	[ICRA]AA (Stable/A1+)	4301.10
					98.90	[ICRA]AA (Stable)					98.90
ICRA/ISGEC Heavy Engineering Limited/21052021/1	21-05-2021	Revision	600.00	[ICRA]AA (Negetive)	2755.17	[ICRA]A1+	1044.83	[ICRA]AA (Negetive/A1+)	-	-	4400.00

Annexure-B

To,
The Members
Isgec Heavy Engineering Limited
(CIN: L23423HR1933PLC000097)
Radaur Road, Yamuna Nagar,
Haryana – 135 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Isgec Heavy Engineering Limited having CIN L23423HR1933PLC000097 and having registered office at Radaur Road, Yamuna Nagar Haryana – 135 001 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed and continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in the company*	Date of cessation*
1	Ranjit Puri	00052459	14/10/1981	-
2	Aditya Puri	00052534	30/04/1996	-
3	Sidharth Prasad	00074194	31/10/2015	-
4	Vishal Kirti Keshav Marwaha	00164204	30/03/2017	-
5	Arvind Sagar	09210612	28/06/2021	-
6	Kishore Chatnani	07805465	28/06/2021	-
7	Sanjay Gulati	05201178	28/06/2021	-
8	Shivani Hazari	00694121	09/02/2019	12/03/2022

* The date of appointment and cessation is as per the MCA Portal.

Ensuring the eligibility for the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pramod Kothari & Co.**
Company Secretaries

Pramod Kothari
Proprietor

FCS No: 7091 CP No: 11532
Peer Review Certificate No. 852/2020:
UDIN: F007091D000306643

Date: May 12, 2022
Place: Noida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
Isgec Heavy Engineering Limited
Radaur Road, Yamunanagar-135001
Haryana, India

1. This certificate is issued in accordance with our terms of engagement letter dated 15th May 2022.
2. The accompanying Corporate Governance Report prepared by Isgec Heavy Engineering Limited (hereinafter the "Company"), contains details as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time (the "listing regulations") with respect to corporate governance for the year ended March 31, 2022.

MANAGEMENT RESPONSIBILITY

3. The preparation of the corporate governance report is the responsibility of management of the Company including preparation and maintenance of all the relevant supporting records and documents. The responsibility also includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the corporate governance report.
4. The Management along with Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by Securities and Exchange Board of India.

AUDITORS RESPONSIBILITY

5. 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.
6. 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.
7. 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.
8. 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

9. 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 of the Listing Regulations during the year ended March 31, 2022.

OTHER MATTER AND RESTRICTION ON USE

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

FOR SCV & CO. LLP
CHARTERED ACCOUNTANTS
ICAI FIRM REGISTRATION No.: 000235N/N500089

(ABHINAV KHOSLA)
PARTNER
MEMBERSHIP No.:087010
ICAI UDIN: 22087010AJVFEX3908

Date: May 28, 2022
Place: Noida

**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**

Part "A" : Subsidiaries

(₹ in lakhs)

Description	2021-22				2020-21				Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021
	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.				
1 Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Ltd.	Isgec Investment PTE 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	27-08-2019	
3 Reporting Period	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	
4 Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	CAD	SGD	
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	5.20	
6 Reserves & surplus	532.47	125.00	29,640.86	10.53	788.73	4,745.72	472.93	7.29	761.12	2,728.60	13,654.10	
7 Total Assets	1,507.41	135.35	83,462.42	410.83	791.55	54,546.38	956.95	407.59	763.94	2,749.47	80,552.75	
8 Total Liabilities	774.94	0.35	53,111.57	0.30	0.35	39,800.66	284.02	0.30	0.35	1,884.40	66,893.45	
9 Investments	-	-	-	-	-	-	-	-	-	-	-	
10 Turnover *	1,214.86	6.70	66,193.68	12.78	37.30	33,069.72	1,041.01	12.86	41.80	3,642.46	1,079.10	
11 Profit/(Loss) before Taxation	310.59	6.37	5,443.04	5.17	36.90	560.87	303.65	5.14	41.42	599.46	(1,039.87)	
12 Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-	
a. Current Tax	83.00	1.60	950.28	1.92	2.85	161.94	76.21	1.78	2.44	154.20	0.96	
b. Deferred Tax	-	-	440.97	-	6.44	(6.70)	0.16	0.13	(6.44)	(3.58)	(117.59)	
13 Profit/(Loss) after Taxation	227.60	4.76	4,051.79	3.25	27.61	405.63	227.28	3.23	47.86	448.84	220.09	
14 Other Comprehensive Income	-	-	22.63	-	-	0.67	1.25	-	-	-	(2.95)	
15 Proposed Dividend**	-	-	1,419.98	-	-	100.00	140.00	-	-	250.00	-	
16 % of shareholding	100%	100%	100%	100%	100%	51%	51%	100%	100%	51%	100%	

* Includes Other Income

** Includes interim dividend, if any paid during the year

*** Reporting currency is Canadian Dollar (CAD) and exchange rate as on the last day of relevant financial year is ₹60.49.

**** Reporting currency is Singapore Dollar (SGD) and exchange rate as on the last day of relevant financial year is ₹55.97.

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 SFW Boilers Private Ltd., Isgec Titan Metal Fabricators Private Ltd. and Isgec Redecam Enviro Solutions Private Ltd. are also Joint venture companies.

Annexure - 9

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)	62
	2) Mr. Kishore Chatnani (Whole-time Director & Chief Financial Officer) *	14
	3) Mr. Sanjay Gulati (Whole-time Director & Head Manufacturing Units) **	10
(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)	31%
	2) Mr. Kishore Chatnani (Whole-time Director & Chief Financial Officer) *	50%
	3) Mr. Sanjay Gulati (Whole-time Director & Head Manufacturing Units) **	72%
	4) Mr. Sudershan Kumar Khorana (Company Secretary)	-20%

* Remuneration of Mr. Kishore Chatnani is in the position of Chief Financial officer upto 27th June 2021 and as Whole-time Director & Chief Financial Officer w.e.f. 28th June 2021

** Remuneration of Mr. Sanjay Gulati is in the position of Head - manufacturing units upto 27th June 2021 and as Whole-time Director & Head Manufacturing Units w.e.f. 28th June 2021

Independent Directors:

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

Independent Directors are paid maximum remuneration of ₹25,000 per annum. Besides this, they are paid 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;	5.87%
(iv) the number of permanent employees on the rolls of company;	2826 as on 31 st March 2022 (2798 as on 31 st March 2021)
(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 2021-22 is 6.41%.

Remuneration of Managing Director, Whole-time Directors and Company Secretary are as under:

			₹ in Lakh		
Name of the Person	Designation	2021-22	2020-21		
1. Mr. Aditya Puri	Managing Director	500	381.5		
2. Mrs. Nina Puri	Whole-Time Director *	-	381.5		
3. Mr. Sudershan Kumar Khorana	Executive Director & Company Secretary	70.06	87.6		
4. Mr. Sanjay Gulati	Whole-time Director & Head Manufacturing Units **	80.93	46.97		
5. Mr. Kishore Chatnani	Whole-time Director & Chief Financial Officer ***	114.85	76.77		

* Mrs. Nina Puri ceased to be Whole-time Director from 31st March 2021.

** Mr. Sanjay Gulati working as Head Manufacturing Units was appointed as Whole-time Director & Head-Manufacturing units from 28th June 2021.

*** Mr. Kishore Chatnani working as CFO, was appointed as Whole-time Director & Chief Financial Officer from 28th June 2021.

It may be noted that Company had imposed a salary cut in 2020-21 due to prevailing economic situation due to Covid 19. Accordingly remuneration in 2020-21 was lower. Further, remuneration of Mr. Sanjay Gulati and Mr. Kishore Chatnani was increased on their appointment as Whole-time Director.

(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

FORM NO. MR-3**Secretarial Audit Report**

For the financial year ended March 31, 2022

[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 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Isgec Heavy Engineering Limited
(CIN: L23423HR1933PLC000097)
Radaur Road, Yamuna Nagar
Haryana -135 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by ISGEC HEAVY ENGINEERING LIMITED (**hereinafter called the "Company"**) having CIN L23423HR1933PLC000097. 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 Companies books, papers, minute books, forms and returns filed and other statutory records maintained by the Company and also the information 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 2022 (**'Audit Period'**) 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, papers, minute books, forms, and returns filed and other records made available to us and maintained by the Company for the audit period according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period).
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period).
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
 - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and amendments from time to time; (Not applicable to the Company during the audit period).

- vi. The Management has identified and confirmed the following laws as specifically applicable to the company:-
- a) Labour laws as applicable
 - b) Environment Protection Act, 1986;
 - c) The Water (Prevention & Control of Pollution) Act 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 - d) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
 - e) Disposal of Hazardous Waste rules.

We have also examined compliance with the applicable clauses /regulation of the following:

- (a) (The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered by the Company with the National Stock Exchange Limited (NSE) and BSE Limited (BSE).
- (b) Secretarial Standards, as amended from time to time, issued by The Institute of Company Secretaries of India.

WE FURTHER REPORT THAT

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.

Further, note that there was no women Director in the company from 12th March 2022 to 31st March 2022 since Mrs. Shivani Hazari (woman Director) has resigned from the company on 12th March 2022 and the company is in process to appoint woman director with the prescribed time.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other

than those held at shorter notice, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

WE FURTHER REPORT THAT

There are adequate systems and processes in the Company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulation, and guidelines.

WE FURTHER REPORT THAT

During the Audit Period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

WE FURTHER REPORT THAT

BSE have levied monetary fines ₹2,360/ (incl. GST @ 18 %) for delay of one day in submission of the Secretarial Compliance Report for the Financial Year 2020-2021 under regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company has paid the aforesaid fine through NEFT dated 30/07/2021.

WE FURTHER REPORT THAT

Maintenance of Secretarial record is the responsibility of the management of the Company, our responsibility is to express an opinion on these secretarial records based on our audit and followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

For **Pramod Kothari & Co.**
Company Secretaries

Pramod Kothari
Proprietor

FCS No: 7091 CP No: 11532

Peer Review Certificate No. 852/2020:

UDIN: F007091D000312541

Date: May 06, 2022

Place: Noida

Business Responsibility Report

[Pursuant to Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company :** L23423HR1933PLC000097.
- Name of the Company :** ISGEC HEAVY ENGINEERING LIMITED.
- Registered address :** RADAUR ROAD, YAMUNANAGAR – 135001, HARYANA (INDIA).
- Website :** www.isgec.com
- E-mail id :** roynr@isgec.com
- Financial Year reported :** Year ended 31.03.2022
- 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.

- List three key products/services that the Company manufactures/provides (as in balance sheet) -**
 - Turnkey Projects for Boilers, Sugar Plants and Power Plants and material handling systems.
 - Pressure Vessels, Columns, Reactors and Heat Exchangers.
 - Mechanical and Hydraulic Presses.
- Total number of locations where business activity is undertaken by the Company:**
 - Number of International Locations (Provide details of major 5)**
The Company has a network of marketing agents spread across many countries. It also has a branch office in Thailand.
 - Number of National Locations :**
Isgec Heavy Engineering Limited has its Registered Office in Yamunanagar, Haryana. The Company owns manufacturing units located at Yamunanagar, Rattangarh 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.

- 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)	:	4,44,446.52
3.	Total profit after taxes (₹ in lakhs)	:	11,281.89
	Total Comprehensive income (₹ in lakhs)	:	11,599.79

- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2%**
- List of activities in which expenditure in 2 above has been incurred:-**
 - Covid Related Expenses :**
 - Providing Oxygen Generation Plant for ESI Hospital in Yamunanagar
 - Providing Oxygen Generation Plant for Hospital in District Muzaffarnagar
 - Providing Oxygen Cylinders and Oxygen Concentrators for Civil Hospitals in Yamunanagar
 - Promoting education in schools by providing following facilities, infrastructure and investment:**
 - Providing rainwater harvesting systems with pipelines in Government schools
 - Repairing of Solar Systems
 - Contribution to Trusts & Other Societies for promoting education in Delhi and Yamunanagar
 - Promoting employment by payment of Stipend to Apprentices selected for Training & Skill development.**

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):

Yes. The BR initiatives of the company are extended to all the Subsidiary Companies and they are also encouraged to participate in group-wide BR initiatives of the parent organization.

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/Director responsible for implementation of the BR policy/policies:

1. DIN : 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	0120-4085001
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 Certification 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.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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, Occupational Health and Safety Policy, Quality Policy, Employee related Policies, Non Acceptance of Gifts from Business Associates, Policy to avoid use of Conflict Minerals, Human Trafficking Policy, Policy and Procedure for Resolution of Sexual Harassment, Policy on Freedom of Association and Policy against Discrimination 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 stakeholders' 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 as Isgec has policies in place for all the 9 principles.

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?

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

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

This covers all group companies including 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.

One (1) shareholder complaint was received during the year which was 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 quality and inspection systems in place to ensure all goods and services provided by the company are safe and sustainable throughout their life cycle.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1:

1. Does the policy relating to ethics, bribery and corruption cover only the company? : No.

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)?

(a) 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?

(a) 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 and contractors.

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 its Iron Foundry and Steel Casting Unit.

PRINCIPLE 3:

1. Please indicate the Total number of employees:

Total number of employees as on 31st March, 2022 was **3233**.

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

Out of the total Employees **407** were on contractual basis.

3. Please indicate the Number of permanent women employees:

The number of women employees as on 31st March, 2022 were **61**.

4. Please indicate the Number of permanent employees with disabilities:

Number of permanent employees with disabilities as on 31st March, 2022 was **1**.

In addition, **3 persons** (visually impaired) are working on Contractual Role.

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?

20% (573 employees are members of this 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	= 66.13%
(b)	Permanent Women Employees	
(c)	Casual/Temporary/Contractual Employees	
(d)	Employees with Disabilities	

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, Suppliers of Good 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. The Company provides training to weaker employees on regular basis. Small vendors are supported by help in technology up-gradation and quality assurance skills. Further, small vendors and contractors, if need be, are given financial assistance in the form of advance.

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 of the Company on human rights covers not only the Company, but also extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others. The Company is committed to comply with all human rights practices across all group companies, JVs and other stakeholders associated with the Company by having formal policies in place.

The Company does not employ any forced labour and child labour and is committed to promoting the general equality among the employees.

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.**

Yes, the policy of the Company on environment covers not only the Company, but also extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others. The Company is committed to achieving an excellence in environmental performance, preservation

and promotion of clean environment and also actively encourages business partners like suppliers, contractors, etc. to preserve and promote environment.

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 achieve better parameters than 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. Some of the company's products (Air Pollution Control Equipments) are focused on addressing environmental problems.

3. Does the company identify and assess potential environmental risks?

Company is alert to the possibility of environmental risk due to discharge of waste water. Company and its 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.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage 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 rooftop solar power for 1500 KW.

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:**

The Company is a member of various trade and industry associations. Major ones of them are:

- 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?**
While the Company and its subsidiaries undertake most of the CSR projects and initiatives through its own team or through Group initiatives, some of the projects are conducted in association with external organizations on need basis.
3. **Have you done any impact assessment of your initiative?**
Impact analysis of each CSR activity is carried out on a regular basis.
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 ₹317.23 lakh on Corporate Social Responsibility. The balance amount of ₹160.93 lakh will be spent on ongoing projects next year. 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.**

Yes, engagement of the community is paramount for sustaining a programme on ground. We ensure engagement of the community at the very planning stage and thereafter inducting them at the implementation level. This not only ensures acceptance of the programme on ground but also its continuity and sustainability.

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 :

1. **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 customers from time to time. The Company has a Policy to attend all customer complaints promptly.
2. **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.
3. **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 behavior over the last 5 years.
4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
Company periodically carries out customer satisfaction surveys. No survey was done during the year under report.

SECRETARIAL AUDIT REPORT OF SARASWATI SUGAR MILLS LIMITED, UNLISTED MATERIAL SUBSIDIARY COMPANY
for the financial year ended March 31, 2022

(In compliance with Regulation 24A (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereof)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,
Saraswati Sugar Mills Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Saraswati Sugar Mills Limited (**hereinafter called the "Company"**) having CIN U01115HR2000PLC034519. 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 Companies books, papers, minute books, forms, and returns filed and other statutory records maintained by the Company and the information 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 2022 (**'Audit Period'**) complied with the statutory provisions listed hereunder and 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, papers, minute books, forms and return filed, and other statutory records maintained by the Company for the financial year ended on 31ST March 2022 according to the provisions of:

1. The Companies Act, 2013 (The Act) and the rules made there under.
2. The Environment Protection Act.
3. The Disposal of Hazardous Waste Rules.
4. The Sugar Cess Act, 1982.
5. The Levy Sugar Price Equalisation Fund Act, 1976.

6. The Food Safety and Standards Act, 2006.
7. The Essential Commodities Act, 1955.
8. The Sugar Development Fund Act, 1982.
9. All the Labour Laws as applicable to the company.
10. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses /regulation of Secretarial Standards, as amended from time to time, issued by The Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company has constituted in terms of the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors/ Committees that took place during the audit period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

In our opinion 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. As informed, the Company has responded appropriately to notices received from various statutory/regulatory

authorities including initiating action for corrective measures wherever found necessary.

We further report that during the Audit Period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

Further, maintenance of Secretarial record is the responsibility of the management of the Company, our responsibility is to express an opinion on these secretarial records based on

our audit and followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

For **Pramod Kothari & Co.**
Company Secretaries

Pramod Kothari
Proprietor

Date: April 28, 2022
Place: Noida

FCS No: 7091 CP No: 11532
UDIN: F007091D000227212

Financial Statements

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, 2022, 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 (hereinafter referred to as "the standalone Ind AS financial statements").

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, 2022, 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 Standalone 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 standalone Ind AS 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 58 to the standalone Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations, carrying amounts of property, plant & equipment, intangible assets, investments, recoverability of receivables and other assets and Management's evaluation of the future performance of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve. 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 standalone 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p data-bbox="228 300 841 321">Revenue recognition for construction contracts</p> <p data-bbox="228 342 841 657">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.</p> <p data-bbox="228 695 841 884">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.</p> <p data-bbox="228 921 841 1110">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.</p> <p data-bbox="228 1148 841 1201">Refer Note 2.4 to the standalone Ind AS financial statements.</p>	<p data-bbox="857 300 1495 321">Principal Audit Procedures</p> <p data-bbox="857 342 1495 436">In the context of our work, the procedures set up in terms of contribution to revenues of construction contracts consisted of :</p> <ul data-bbox="857 457 1495 1516" style="list-style-type: none"> <li data-bbox="857 457 1495 552">• Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. <li data-bbox="857 573 1495 720">• Performing testing of the design and implementation 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. <li data-bbox="857 741 1495 1245">• 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. <li data-bbox="857 1266 1495 1413">• 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. <li data-bbox="857 1434 1495 1516">• 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 standalone 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 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 standalone 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 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.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

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, 2020 ("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 Cash Flow Statement 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 Indian 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 2022 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 31st March, 2022 has been paid/provided by the Company to its Directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

(h) 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:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 43 to the standalone Ind AS financial statements.

ii) 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.

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

iv) a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources of kinds of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security

or the like on behalf of the Ultimate beneficiaries.

b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity (“Funding Parties”, with the understanding, whether recording in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries;

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (a) and (b) above contains any material misstatement.

v) a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The Board of Directors of the Company have proposed the final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable..

For **SCV & Co. LLP**

Chartered Accountants

Firm Reg. No: 000235N/ N500089

Abhinav Khosla

Partner

Membership No.: 087010

ICAI UDIN: 22087010AJUQLL3490

Place: Noida

Dated: May 28, 2022

Annexure - A To The Independent Auditor's Report

(Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of Isgec Heavy Engineering Limited on the Ind AS Standalone Financial Statements for the year ended 31st March 2022)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use Assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, Property, plant and Equipment have been physically verified by the Management during the year. All Property, plant and Equipment of the Company have not been physically verified by the Management during the year but there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its Property, plant and Equipment. No material discrepancies were noticed on such verification.
- (c) The title deed of all the immovable properties (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statement included under property, plant and equipment are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has neither revalued its Property, Plant and Equipment (Including Right of Use Assets) nor intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given to us and on the basis of our audit procedures, we report that there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions (Prohibitions) Act, 1988 (45 of 1988), as amended and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that Physical Verification of Inventory has been conducted at reasonable intervals by the Management and in our opinion the coverage and procedure of such verification is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed during such verification conducted during the year.
- (b) The Company has been sanctioned working capital limits in excess of ₹ Five Crore, in aggregate, from banks during the year on the basis of security of current assets. Quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been sanctioned working capital limits from financial institutions.
- (iii) (a) According to information and explanation given to us and on the basis of our audit procedures, we report that the Company has not made investments in, provided any security or granted any advances in the nature of loans to companies, firms, Limited Liability Partnership or any other parties during the year ended March 31, 2022. In respect of any guarantee provided and loan given during the year details are as below:

(Amount in lakhs)

	Guarantees	Loans
Aggregate amount granted /provided during the year:		
- Subsidiaries	4,004.72	4,546.38
- Joint ventures	Nil	Nil
- Associates	Nil	Nil
- Others	Nil	Nil
Balance outstanding at the balance sheet date in respect of above cases:		
- Subsidiaries	60,137.50	8,876.03
- Joint ventures	Nil	Nil
- Associates	Nil	Nil
- Others	Nil	Nil

- (b) According to information and explanation given to us and based on audit procedures performed by us, we are of the opinion that guarantees provided and the terms and conditions of the grant of all loans and guarantees are prima facie not prejudicial to the Company's interest. According to information and explanation given to us, the Company has not made investments, provided security, given advances in nature of loans to companies, firms, Limited Liability Partnership or any other parties during the year.
- (c) According to information and explanation given to us and on the basis of our audit procedures, we report that in respect of loans the schedule of repayment of principle and payment of interest has been stipulated and repayment or receipts of interest are not due during the year.
- (d) According to information and explanation given to us and on the basis of our audit procedures, we report that no amount is overdue in respect of loans granted by the Company, for more than ninety days in respect of principle and interest.
- (e) According to information and explanation given to us and on the basis of our audit procedures, we report that no loan granted, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanation given to us and on the basis of our audit procedures, we report that the Company has not granted any loans or advances in the nature of loan either repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under clause (iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the year, the Company has not made investments, given security which is covered under provisions of section 185 and 186 of the Companies Act, 2013. In respect of loan given and guarantee provided during the year, the same in our opinion is in compliance of section 185 and 186 of Companies Act, 2013.
- (v) According to information and explanation given to us and on the basis of our audit procedures, we report that the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits, within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Accordingly, the paragraph 3(v) of the Order is 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) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and any other statutory dues applicable to it to the appropriate authorities. The provisions related to sales-tax, service tax, duty of excise and value added tax are not applicable to Company.
- According to the information and explanation given to us and based on audit procedures performed by us, no undisputed amount payable in respect of these statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax or Value Added Tax or any other statutory dues which have not been deposited on account of any dispute except as given under:

Name Of the Statute	Nature of Due	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)	Period to which it relates	Forum where Dispute is pending
Central Excise Act	Excise Duty	5.00	5.00	1994-95	Hon'ble High Court, Allahabad
Central Excise Act	Excise Duty	8.00	8.00	1994-96	Tribunal New Delhi
Central Excise Act	Excise Duty	3.57	3.57	2011-12	Assistant commissioner, Yamunanagar
Central Excise Act	Excise Duty	0.37	0.37	2015-17	Superintendent (Yamunanagar)
Central Excise Act	Excise Duty	30.06	27.06	2016-17	Assistant Commissioner (Yamunanagar)
Central Excise Act	Excise Duty	7.18	7.18	2017-18	Superintendent CGST Division
Local Area Tax	Local Area Tax	22.00	22.00	2006-07 to 2015-16	Hon'ble Supreme Court of India

Name Of the Statute	Nature of Due	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)	Period to which it relates	Forum where Dispute is pending
Water Cess	Water Cess	18.49	18.49	1992-93	Hon'ble Supreme Court of India
Goods and services tax act	Goods and services tax	5.24	-	2020-21	Addl. Commissioner Appeal, commercial tax MP
Goods and services tax act	Goods and services tax	3.09	-	2020-21	Asstt. Commissioner
Sales Tax Act	Sales Tax	271.90	271.90	2014-15	Appeal yet to be filed
Sales Tax Act	Sales Tax	7.42	7.42	2016-17	Appeal yet to be filed
Sales Tax Act	Sales Tax	4.00	4.00	1987-88	Dy Comm. of Commercial Taxes(appeals), Kolkata
Sales Tax Act	Sales Tax	61.00	61.00	1994-95	Dy Comm. of Commercial Taxes(appeals), Kolkata
Sales Tax Act	Sales Tax	34.00	34.00	1995-96	Dy Comm. of Commercial Taxes(appeals), Kolkata
Sales Tax Act	Sales Tax	18.30	16.67	2009-10 to 2013-14	Joint Commissioner of Sales Tax
Sales Tax Act	Sales Tax	0.82	0.82	2006-07	Dy Comm. Of Commercial Taxes, Tamil Nadu.
Sales Tax Act	Sales Tax	76.86	76.86	2010-11	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	53.77	21.33	2013-14	High Court, Lukhnow
Sales Tax Act	Sales Tax	57.68	-	2014-15	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	84.06	64.16	2015-16	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	6.42	6.42	2015-16	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	35.89	3.89	2016-17	Addl. Commissioner Grade-2 Appeals
Sales Tax Act	Sales Tax	1.30	-	2020-21	Addl. Commissioner Appeal, Commercial tax UP
Sales Tax Act	Sales Tax	3.26	3.26	2014-15	Dy Comm. Of Commercial Taxes, Kerala.
Sales Tax Act	Sales Tax	0.58	0.58	2016-17	Dy Comm. Of Commercial Taxes, Kerala.
Sales Tax Act	Sales Tax	59.32	53.10	2009-10	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
Sales Tax Act	Sales Tax	0.37	0.33	2010-11	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
Sales Tax Act	Sales Tax	71.06	70.44	2015-16	Dy. Commissioner of Sales Tax, Mumbai
Sales Tax Act	Sales Tax	8.31	7.95	2015-16	Dy. Commissioner of Sales Tax, Mumbai
Sales Tax Act	Sales Tax	559.88	559.88	2016-17	Deputy Commissioner, State Tax, LTU Mumbai
Sales Tax Act	Sales Tax	3.54	3.54	2016-17	Deputy Commissioner, State Tax, LTU Mumbai
Sales Tax Act	Sales Tax	6.00	6.00	1971-73	Commissioner Sales Tax, Lucknow
Sales Tax Act	Sales Tax	7.35	4.59	2017-18	Additional Commissioner Grade -2 Appeals
Sales Tax Act	Sales Tax	0.38	0.38	2017-18	Additional Commissioner Grade -2 Appeals
Sales Tax Act	Sales Tax	64.24	64.24	2017-18	Joint Commissioner, State Tax
Finance Act, 1994	Service Tax	60.31	60.31	2012-13	Tribunal, Ahmedabad
Finance Act, 1994	Service Tax	19.66	19.66	2014-15	Additional Commissioner (Audit), C.Ex., Surat. Order awaited.
Finance Act, 1994	Service Tax	60.77	60.77	2015-16 & 2016-17	Commissioner, Central goods and service tax (Appeals Noida)
Custom Act	Custom Duty	3.28	3.28	2017-18	Tribunal, New Delhi
Custom Act	Custom Duty	563.8	513.65	2017-18	Tribunal, Ahemdabad

- (viii) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessment under the Income Tax Act, 1961 as income during the year, accordingly the provisions of paragraph 3 (viii) of the Order are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on the basis of our audit procedures, we report that no funds raised on short term basis have been utilised for long term purposes during the year.
- (e) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries or associates.
- (f) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- (x) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not raised any moneys by way of initial public offer/ further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of paragraph 3(x)(b) of the Order are not applicable to the Company.
- (xi) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under Sub-section (12) of section 143 of Companies Act, 2013 has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year. Accordingly, the provisions of paragraph 3(xi)(c) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3(xii)(a), (b), (c) 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) (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company till date in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and based on our examination, the Company has not entered into any non-cash transactions with its Directors or persons connected with its Directors. Accordingly, the provisions of paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, requirement to report on paragraph (xvi)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures,

we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

- (c) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on paragraph 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our audit procedures, we report that the group does not have any CIC as part of the group, hence the provisions of paragraph (xvi)(d) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on the basis of our audit procedures, we report that, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditor during the year.
- (xix) On the basis of the financial ratios disclosed in note no 54 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the Board of Directors and Management plan and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which causes us to

believe that any material uncertainty exists as on the date of audit report that Company is not capable of meeting its liabilities existing at date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not the assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company does not have unspent amount towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that in respect of the ongoing projects, the Company has transferred unspent CSR amount as at the end of previous financial year and current financial year to a special account, with in a period of thirty days from the end of the financial year in compliance with section 135(6) of Companies Act, 2013..

For **SCV & Co. LLP**

Chartered Accountants

Firm Reg. No: 000235N/ N500089

Abhinav Khosla

Partner

Place: Noida

Membership No.: 087010

Dated: May 28, 2022

ICAI UDIN: 22087010AJUQLL3490

Annexure - B To The Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the independent Auditor's Report of even date to the members of Isgec Heavy Engineering Limited on the standalone Ind AS financial statements for the year ended 31st March, 2022)

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 2022 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls,

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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

Place: Noida

Dated: May 28, 2022

Membership No.: 087010

ICAI UDIN: 22087010AJUQLL3490

Balance Sheet

as at March 31, 2022

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	42,091.45	42,837.09
(b) Right-of-use assets	4	3,217.86	3,412.57
(c) Capital work - in - progress	55.1	835.14	863.29
(d) Other intangible assets	5	2,152.03	2,011.78
(e) Financial assets			
(i) Investments	6	16,929.69	16,929.69
(ii) Loans	7	9,171.28	4,199.40
(iii) Trade receivables	8	18,674.92	15,855.25
(iv) Other financial assets	9	1,754.55	1,399.36
(f) Deferred tax assets (net)	25	2,287.50	1,398.29
(g) Other non - current assets	10	601.84	127.99
Total non-current assets		97,716.26	89,034.71
(2) Current assets			
(a) Inventories	11	55,155.18	47,566.98
(b) Financial assets			
(i) Investments	12	11,871.56	4,332.17
(ii) Trade receivables	13	227,909.69	235,936.26
(iii) Cash and cash equivalents	14	6,594.93	10,665.41
(iv) Bank balances other than (iii) above	15	1,228.48	1,440.45
(v) Loans	16	753.32	997.46
(vi) Other financial assets	17	1,141.82	1,788.01
(c) Current tax assets (net)	18	767.24	-
(d) Other current assets	19	88,951.62	86,970.00
Total current assets		3,94,373.84	3,89,696.74
Total assets		4,92,090.10	4,78,731.45
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	20	735.29	735.29
(b) Other Equity	21	177,587.92	166,723.43
Total equity		178,323.21	167,458.72
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	9,999.96	8,738.55
(i.a) Lease liabilities		579.64	720.91
(ii) Other financial liabilities	23	118.67	88.04
(b) Provisions	24	4,694.96	5,071.29
(c) Other non - current liabilities	26	21,531.28	22,801.09
Total non-current liabilities		36,924.51	37,419.88
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	33,365.65	11,145.31
(i.a) Lease liabilities		334.89	296.68
(ii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small Enterprises		11,479.99	8,864.86
b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		110,692.75	136,279.26
(iii) Other financial liabilities	29	5,655.35	3,337.11
(b) Other current liabilities	30	101,703.80	97,923.75
(c) Provisions	31	13,609.95	15,321.56
(d) Current tax liabilities (net)	18	-	684.32
Total current liabilities		276,842.38	273,852.85
Total equity & liabilities		492,090.10	478,731.45

The accompanying notes from 1 to 60 form an integral part of the financial statements

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

Sanjay Kumar
 General Manager

Kishore Chatnani
 Whole-time Director and
 Chief Financial Officer

For & 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 28, 2022

Arvind Sagar
 Director
 DIN: 09210612

Sidharth Prasad
 Director
 DIN: 00074194

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	32	444,446.52	430,960.60
II Other income	33	2,603.90	3,560.96
III Total income (I + II)		447,050.42	434,521.56
IV Expenses			
Cost of materials consumed	34	75,674.29	51,343.99
Purchases of Stock-in-Trade	35	200,913.68	193,647.89
Erection & commissioning expenses		61,617.79	62,579.49
Changes in inventories of finished goods, Stock - in - Trade and work - in - progress	36	(4,772.50)	9,077.77
Employee benefits expense	37	31,868.60	27,930.74
Finance costs	38	2,266.07	2,275.32
Depreciation and amortization expense	39	6,539.29	6,783.85
Other expenses	40	58,236.93	52,428.81
Total expenses (IV)		432,344.15	406,067.86
V Profit before tax (III - IV)		14,706.27	28,453.70
VI Tax expense	41		
(1) Current tax		4,420.50	7,132.39
(2) Deferred tax		(996.12)	(501.70)
Total tax expenses		3,424.38	6,630.69
VII Profit for the year (V - VI)		11,281.89	21,823.01
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of post employment defined benefit plans		424.81	74.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		(106.91)	(18.63)
Total other comprehensive income		317.90	55.38
IX Total comprehensive income (VII + VIII) (Comprising Profit and Other Comprehensive Income for the year)		11,599.79	21,878.39
X Earnings per equity share of ₹1/- each	42		
Basic (in ₹)		15.34	29.68
Diluted (in ₹)		15.34	29.68

The accompanying notes from 1 to 60 form an integral part of the financial statements

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

For & 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 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	14,706.27	28,453.70
Adjustments for :		
Depreciation and amortisation expense	6,539.29	6,783.85
(Gain) / loss on property, plant and equipment sold / written off	(4.44)	(78.65)
Liabilities no longer required written back	(202.84)	(271.11)
Provision for expected credit loss	2,818.78	713.87
Finance Income	(766.72)	(513.49)
Finance costs	2,266.07	2,275.32
Income From investment-Dividends	(1,355.70)	(2,537.04)
(Gain) / Loss on sale of financial instruments (investment)	(121.04)	(38.84)
Change in fair value of financial instrument (investment)	-	(4.56)
Adjustment due to discounting in warranty provision	38.83	132.55
Unrealised (gain) / loss on foreign currency translation	(511.95)	1,607.25
Operating profit before working capital adjustments	23,406.55	36,522.85
Working capital adjustments		
(Increase) / Decrease in trade receivables	2,775.84	(46,093.78)
(Increase) / Decrease in other receivables	(6,477.08)	(4,356.88)
(Increase) / Decrease in inventories	(7,588.20)	3,538.28
Increase / (Decrease) in trade and other payables	(17,972.79)	29,012.24
Increase / (Decrease) in payables and provisions	(1,701.96)	2,742.56
Cash generated from operations	(7,557.64)	21,365.27
Income Tax paid (net of refund)	(5,872.06)	(6,230.16)
Net cash flow from / (used in) operating activities	(13,429.70)	15,135.11
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(5,567.64)	(3,517.15)
Proceeds from sale of property, plant and equipment	106.76	308.70
Net proceeds from (purchase) / sale of mutual funds	(7,418.35)	3,910.06
Interest received	766.72	390.75
Dividend received	1,355.70	2,537.04
Net cash flow from / (used in) investing activities	(10,756.81)	3,629.40
C Cash flow from financing activities		
Dividend paid on equity shares	(754.18)	(1,475.30)
Payment of lease liabilities	(428.47)	(335.18)
Finance cost	(2,183.07)	(2,284.43)

Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Proceeds from long term borrowings	8,830.42	11,169.50
Repayment of long term borrowings	(96.86)	(23.11)
Proceeds / (repayment) from short term borrowings (net)	14,748.19	(27,886.44)
Net cash flow from / (used in) financing activities	20,116.03	(20,834.96)
Net increase in cash and cash equivalents (A+B+C)	(4,070.48)	(2,070.45)
Cash and cash equivalents at the beginning of the year	10,665.41	12,735.86
Cash and cash equivalents at the end of the year	6,594.93	10,665.41
Components of cash and cash equivalents		
Balance with banks in current account (refer note 14)	6,440.77	10,653.59
Cheques and drafts on hand (refer note 14)	141.40	0.39
Cash on hand (refer note 14)	12.76	11.43
Cash and cash equivalents	6,594.93	10,665.41

Notes:

- The above cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7.
- Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended	Year ended
	March 31, 2022	March 31, 2021
Opening balance as on April 1	19,883.86	34,096.10
Non-cash changes due to		
- Interest expense	-	-
- Others	-	-
Cash flows during the year		
- Proceeds from long term borrowings (refer note 22.1)	8,830.42	11,169.50
- Repayment of long term borrowings (refer note 22.1)	(96.86)	(23.11)
- Proceeds / (repayment) from short term borrowings (net), other than current maturities of long term debt (refer note 27)	14,748.19	(25,358.63)
Closing balance as on March 31	43,365.61	19,883.86

- Figures in brackets indicate cash outgo.

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

For & 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 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

As at April 1, 2020	Changes during the year	As at March 31, 2021	Changes during the year	As at March 31, 2022
735.29	-	735.29	-	735.29

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and surplus						Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Items of other comprehensive income (remeasurement of post employment benefit plans)	
Balance as at April 1, 2020	0.01	450.22	3.24	17,439.54	128,297.36	125.26	146,315.63
Profit for the year	-	-	-	-	21,823.01	-	21,823.01
Other comprehensive income	-	-	-	-	-	55.38	55.38
Final dividend paid for the year ended March 31, 2020	-	-	-	-	-	-	-
Interim dividend paid during the year ended March 31, 2021	-	-	-	-	(1,470.59)	-	(1,470.59)
Balance as at March 31, 2021	0.01	450.22	3.24	17,439.54	148,649.78	180.64	166,723.43
Profit for the year	-	-	-	-	11,281.89	-	11,281.89
Other comprehensive income	-	-	-	-	-	317.90	317.90
Final dividend paid for the year ended March 31, 2021	-	-	-	-	(735.30)	-	(735.30)
Interim dividend paid during the year ended March 31, 2022	-	-	-	-	-	-	-
Balance as at March 31, 20212	0.01	450.22	3.24	17,439.54	159,196.37	498.54	177,587.92

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

Sanjay Kumar
 General Manager

Kishore Chatnani
 Whole-time Director and
 Chief Financial Officer

For & 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 28, 2022

Arvind Sagar
 Director
 DIN: 09210612

Sidharth Prasad
 Director
 DIN: 00074194

Notes to Financial Statements

NOTE 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) and National Stock Exchange (NSE). 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 equipment, mechanical and hydraulic presses, alloy steel and ferrous castings, boiler tubes & panels and containers. Engineering, Procurement & Construction (EPC) comprise contract manufacturing and execution of projects for setting up boilers, sugar plants, power plants, material handling equipment and air pollution control equipment for customers in India and abroad.

NOTE 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Statement of Compliance

These standalone financial statements have been 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), Indian Accounting Standards (Ind AS) as 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 standalone financial statements were authorized for issue by the Company’s Board of Directors on 28th May 2022.

2.2 Use of Estimates

The preparation of standalone 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, following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in standalone financial statements:

a. Revenue from contracts with customers

A significant portion of the Company’s business relates to EPC contracts which are accounted for using percentage of completion method, recognizing revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue needs to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Company has the right to payment for performance completed till date, either contractually or legally. The Company is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate impacts revenues from operations, unbilled revenue and unearned revenue.

b. Provision for onerous contracts

The Company provides for future losses on EPC contracts where it is considered highly probable that the

Notes to Financial Statements

contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the likely levels of future cost escalation over time.

c. Defined benefit plans

The present value of the post-employment benefit obligation depends on a number of factors that are determined using actuarial valuations. An actuarial valuation involves making various assumptions including determination of the discount rate, future salary increases and mortality rates. Any changes in these assumptions will impact upon the carrying amount of post-employment benefit obligations. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 37.

d. Warranty provision

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. The assumption made in current period are consistent with those in the prior year. Warranty provisions are discounted using a pre-tax discount rate. Refer Note 24 for further details.

e. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

As a practical expedient, the Company uses a provision matrix to determine Expected Credit Loss impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Company follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL. Refer Note 51 for details of impairment allowances recognised at the reporting date.

f. Deferred tax asset recognition

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences can be utilised. In addition, significant judgement is required in assessing the impact of any uncertainties in tax.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification as per company's normal operating cycle and other criteria set out in the Schedule III to the Act. 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

Notes to Financial Statements

- 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. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.4 Revenue Recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

A. Sale of products

Revenue from the sale of manufactured and traded goods is recognised when control of the goods is transferred to the customer 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.

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.

B. Revenue from Construction Contracts

Revenues are recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. The company recognises revenue over time as it performs because of continuous transfer of control to the customers. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls the work in process as evidenced either by contractual termination clauses or by the rights of the Company to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternate use.

Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. The Company uses cost based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts.

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.

Notes to Financial Statements

Generally, the Company is entering into fixed price contracts with its customers. However, in very few contracts, additional revenue is claimable or revenue is reduced, based on variations in prices of few of key raw material prices such as steel, cement etc. Additional claims are raised on customers for such variations in prices of such materials, on pre-fixed terms and conditions specified in these contracts with customers.

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

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Unbilled revenue”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “Unearned Revenue”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”.

C. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established.

D. Rental Income

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

E. 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.

(iii) Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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.

Net realizable 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.

Notes to Financial Statements

2.6 Property, Plant & Equipment (PPE)

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 recognized 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 amortization and accumulated impairment losses.

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 recognized in the statement of profit or loss when the asset is derecognized.

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 amortized over the useful economic life which is reviewed at the end of each reporting period. Based on this criteria, presently such assets are being amortized over a period not exceeding ten years on a straight-line method.

Notes to Financial Statements

Leasehold land is amortized 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 Non-current assets (or disposal groups) classified as held for sale:

To classify any asset or disposal groups (comprising assets and liabilities) as “Asset / Disposal groups held for sale” they must be available for immediate sale and its sale must be highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line “Assets / Disposal groups held for sale” and “Liabilities included in disposal group held for sale” respectively. Once classified as held for sale, intangible assets and PPE are no longer amortized or depreciated.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of profit and loss.

2.10 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.

2.11 Employee Benefits

(i) Provident Fund

The Company makes contribution to the recognised provident fund trust for its employees which is operated by the Company, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates

Notes to Financial Statements

notified by the Government. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(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, which is expected to be utilised or paid in next twelve months, as short-term employee benefits. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. 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 and such benefits 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.

2.12 Leases

As a Lessee

The Company has lease contracts for various items of building, plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company, otherwise it was classified as an operating lease. Finance lease were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized, and the lease payments were recognized as rent expense in the statement of profit or loss on a straight-line

Notes to Financial Statements

basis over the lease term. Any prepaid rent and accrued rent were recognized under prepayments and trade and other payables, respectively.

In the statement of financial position, lease liability is included under other financial liability and ROU assets is included in property, plant and equipment's and the payment of principal portion of lease liabilities has been classified as financing cash flows.

The Company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases.

For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease. The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

As a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases 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. Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Notes to Financial Statements

2.13 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 recognized 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 recognized in Other Comprehensive Income is recognized in Other Comprehensive Income.

2.14 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.

2.15 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.

Notes to Financial Statements

A contingent asset is disclosed, when there is a 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.

2.16 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.

2.17 Earnings Per Share

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

2.18 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 and financial liabilities are classified in the following 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 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

(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.

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. The Company is following fair value hedges method as the same is applicable to the kind of transactions being carried out by the Company.

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.

2.19 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.

Notes to Financial Statements

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.

2.20 Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

2.21 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.

2.22 Government Grants

Government grants are recognized 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 recognized 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.

2.23 Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

2.24 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.

2.25 Research and Development Expenses

Research expenditure is charged to the standalone statement of profit and loss. Development costs of products are also charged to the standalone statement of profit and loss unless a product’s technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

2.26 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Notes to Financial Statements

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 standalone 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.

2.27 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

- Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Notes to Financial Statements

- (iii) Ind AS 103 – Business Combinations: The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- (iv) Ind AS 109 – Financial Instruments: The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Financial Statements

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Freehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value							
As at April 1, 2020	9,785.39	19,581.34	37,017.91	1,049.06	1,491.50	3,074.34	71,999.54
Additions	-	310.12	2,447.20	10.06	62.49	490.91	3,320.78
Disposals	-	6.77	144.69	12.56	166.01	65.79	395.82
As at March 31, 2021	9,785.39	19,884.69	39,320.42	1,046.56	1,387.98	3,499.46	74,924.50
Additions	-	841.39	3,110.13	73.24	278.94	527.02	4,830.72
Disposals	-	-	156.28	3.01	193.67	126.00	478.96
As at March 31, 2022	9,785.39	20,726.08	42,274.27	1,116.79	1,473.25	3,900.48	79,276.26
Accumulated depreciation							
As at April 1, 2020	-	5,650.72	17,532.91	748.78	799.63	2,060.05	26,792.09
Charge for the year	-	1,215.55	3,507.39	67.74	216.62	537.44	5,544.74
Disposals	-	3.17	68.18	8.87	78.48	90.72	249.42
As at March 31, 2021	-	6,863.10	20,972.12	807.65	937.77	2,506.77	32,087.41
Charge for the year	-	1,140.56	3,591.46	73.62	183.71	484.69	5,474.04
Disposals	-	-	113.21	2.76	153.21	107.46	376.64
As at March 31, 2022	-	8,003.66	24,450.37	878.51	968.27	2,884.00	37,184.81
Net carrying value							
As at March 31, 2021	9,785.39	13,021.59	18,348.30	238.91	450.21	992.69	42,837.09
As at March 31, 2022	9,785.39	12,722.42	17,823.90	238.28	504.98	1,016.48	42,091.45

Notes:

- Contractual commitment towards purchase of property, plant and equipment, refer note - 45
- Borrowing cost capitalized during the year is nil.
- 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 * :

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying value	13,387.06	13,527.25
Accumulated depreciation	11,179.10	10,975.74
Net carrying value	2,207.96	2,551.51

* For leasehold land please refer note 4

Notes to Financial Statements

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in lakhs)

Particulars	Category of Right of Use asset		Total
	Land (Leasehold)	Buildings	
Gross carrying value			
As at April 1, 2020	2,952.35	1,518.92	4,471.27
Additions	-	-	-
Deletions	-	4.83	4.83
As at March 31, 2021	2,952.35	1,514.09	4,466.44
Additions	-	245.72	245.72
Deletions	-	-	-
As at March 31, 2022	2,952.35	1,759.81	4,712.16
Accumulated depreciation			
As at April 1, 2020	367.63	301.41	669.04
Charge for the year	81.74	303.09	384.83
Deletions	-	-	-
As at March 31, 2021	449.37	604.50	1,053.87
Charge for the year	81.72	358.71	440.43
Deletions	-	-	-
As at March 31, 2022	531.09	963.21	1,494.30
Net carrying value			
As at March 31, 2021	2,502.98	909.59	3,412.57
As at March 31, 2022	2,421.26	796.60	3,217.86

NOTE 5 : OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Technical know how	Total
Gross carrying value			
As at April 1, 2020	2,195.55	6,107.24	8,302.79
Additions	98.74	-	98.74
Disposals	7.61	114.01	121.62
As at March 31, 2021	2,286.68	5,993.23	8,279.91
Additions	22.21	742.86	765.07
Disposals	-	-	-
As at March 31, 2022	2,308.89	6,736.09	9,044.98
Accumulated amortisation			
As at April 1, 2020	1,721.05	3,730.77	5,451.82
Charge for the year	224.14	630.14	854.28
Disposals	6.59	31.38	37.97
As at March 31, 2021	1,938.60	4,329.53	6,268.13
Charge for the year	121.79	503.03	624.82
Disposals	-	-	-
As at March 31, 2022	2,060.39	4,832.56	6,892.95
Net carrying value as at March 31, 2021	348.08	1,663.70	2,011.78
Net carrying value as at March 31, 2022	248.50	1,903.53	2,152.03

Notes to Financial Statements

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face Value(₹)	No. of Shares/units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/units	Value (₹ in lakhs)
Investment in equity instruments (at cost)						
Equity shares of 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 SFW 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	CAD 1	4,500,000	2,643.05	CAD 1	4,500,000	2,643.05
Isgec Investments PTE Ltd, Singapore	SGD 1	10,000	5.20	SGD 1	10,000	5.20
Total			16,929.69			16,929.69
Aggregate amount of quoted investments and market value thereof :			-			-
Aggregate amount of unquoted investments:			16,929.69			16,929.69
Aggregate amount of impairment in value of investments:			-			-

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties		
Loans receivables considered good - Unsecured		
Loan to subsidiary company (refer note 49)	8,876.03	4,329.65
Interest accrued but not due on loan to subsidiary company (refer note 49)	429.28	-
Allowance for expected credit losses	(409.08)	(349.00)
Other loans		
Loans receivables considered good - Secured		
Loans to employees	189.40	187.50
Loans receivables considered good - Unsecured		
Loans to employees	85.65	31.25
Total	9,171.28	4,199.40

Notes to Financial Statements

Note 7.1 : Movement of allowance for expected credit losses

Particulars	(₹ in lakhs)	
	2021-22	2020-21
Movement of allowance for expected credit losses		
Opening balance at the beginning of the year	349.00	-
Provided during the year	60.08	349.00
Amounts written off	-	-
Reversal of provisions	-	-
Closing balance at the end of the year	409.08	349.00

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	18,674.92	15,855.25
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Allowance for expected credit losses	-	-
Total	18,674.92	15,855.25

NOTE 8.1 : NON-CURRENT TRADE RECEIVABLES AGEING

Particulars	(₹ in lakhs)				
	Outstanding as on March 31, 2022 for the following period from the due date of payment				
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	Total
i) Undisputed Trade receivables - Considered good	18,674.92	-	-	-	18,674.92
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	18,674.92	-	-	-	18,674.92

Notes to Financial Statements

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 for the following period from the due date of payment				
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	Total
i) Undisputed Trade receivables - Considered good	15,855.25	-	-	-	15,855.25
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	15,855.25	-	-	-	15,855.25

NOTE 9 : NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
- Security deposits *	941.60	805.62
- Bank fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve month	800.10	570.10
- Interest accrued but not due on deposits	12.85	23.64
Total	1,754.55	1,399.36

* includes balances with related parties (refer note 49)

NOTE 10 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances recoverable other than in cash		
Considered good - Unsecured		
Capital advances	541.20	69.74
Prepaid expenses	60.64	58.25
Total	601.84	127.99

NOTE 11 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials		
Raw materials	17,652.30	11,746.10
Raw materials in transit	1,516.30	1,699.03
Work - in - progress		
Engineering goods	25,647.26	20,586.09

Notes to Financial Statements

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Ingots and steel castings	2,323.50	2,612.17
Stock-in-trade		
Goods in transit	4,747.78	8,296.82
Goods at warehouse	434.04	598.08
Stores and spares		
Stores and spares	2,709.03	1,973.99
Stores & spares in transit	54.36	-
Loose tools	70.61	54.70
Total	55,155.18	47,566.98

NOTE 12 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in mutual funds				
-Unquoted				
SBI Magnum Low Duration Fund - Regular Plan - Growth	180,875	5,149.74	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	3,839,213	999.95	-	-
SBI Overnight Fund - Regular - Growth	109,495	3,750.53	63,268	2,100.08
		9,900.22		2,100.08
b) Other investments				
-Unquoted				
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		132.47		196.14
ASK Real Estate Special Opportunities Fund		631.27		622.50
ASK Real Estate Special Situations Fund		199.24		196.95
Edelweiss Real Estate Opportunities Fund (EROF)		77.94		109.02
Investcorp Score Fund		92.40		155.71
India Whizdom Fund		-		8.02
Indiabulls High Yield Fund		180.84		209.57
Indiabulls Dual Advantage Commercial Asset Fund		511.20		501.26
Nippon India Yield Maximiser Fund Scheme-I		33.51		32.19
Nippon India Yield Maximiser Scheme-III		112.47		200.73
		1,971.34		2,232.09
Total current investments (a + b)		11,871.56		4,332.17
Aggregate value of investments :				
Market value of quoted investments		-		-
Aggregate amount of unquoted investments (accounted based on respective net asset value)		11,871.56		4,332.17
Aggregate amount of impairment in value of investments		-		-

Notes to Financial Statements

NOTE 13 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured *	232,742.31	238,010.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Allowance for expected credit losses	(4,832.62)	(2,073.91)
Total	227,909.69	235,936.26

* includes balances with related parties (refer note 49)

NOTE 13.1 : Current trade receivables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - Considered good	165,671.35	28,934.47	3,645.40	6,696.52	23,703.55	2,672.03	231,323.32
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	943.10	5.95	-	24.30	70.57	375.07	1,418.99
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	166,614.45	28,940.42	3,645.40	6,720.82	23,774.12	3,047.10	232,742.31
vii) Allowance for credit losses							(4,832.62)
Total							227,909.69

Notes to Financial Statements

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - Considered good	154,634.82	47,484.65	2,115.74	17,244.42	3,056.43	11,224.44	235,760.50
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	1,209.75	180.39	24.30	136.38	-	698.85	2,249.67
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	155,844.57	47,665.04	2,140.04	17,380.80	3,056.43	11,923.29	238,010.17
vii) Allowance for credit losses							(2,073.91)
Total							235,936.26

NOTE 14 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In current accounts	6,440.77	10,653.59
Cheques and drafts on hand	141.40	0.39
Cash on hand	12.76	11.43
Total	6,594.93	10,665.41

NOTE 15 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks:		
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	1,124.28	1,317.37
Earmarked - Unclaimed dividend accounts	104.20	123.08
Total	1,228.48	1,440.45

Notes to Financial Statements

NOTE 16 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties		
Loans receivables considered good - Unsecured		
Interest accrued but not due on loan to subsidiary company (refer note 49)	-	186.06
Other loans		
Loans receivables considered good - Secured		
Loans to employees	78.29	76.27
Loans receivables considered good - Unsecured		
Advances to employees	602.83	706.09
Advance to group gratuity trust	72.20	29.04
Total	753.32	997.46

NOTE 17 : CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good - Secured		
Security deposits	19.04	37.11
Interest accrued on security deposits	7.09	7.76
Considered good - Unsecured		
Security deposits	731.77	1,195.42
Interest accrued on security deposits	9.40	12.23
Derivatives		
Foreign exchange forward contract receivables	164.27	302.69
Others		
Interest accrued but not due on bank fixed deposits	210.25	232.80
Total	1,141.82	1,788.01

NOTE 18 : CURRENT TAX ASSETS/(LIABILITIES) (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Income Taxes	5,187.74	6,619.27
Less: Provisions for income tax	4,420.50	7,303.59
Total	767.24	(684.32)

Notes to Financial Statements

NOTE 19 : OTHER CURRENT ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Advances to related parties (refer note 49)	127.02	1,149.40
Advances to suppliers	25,262.14	42,661.34
Others		
Unbilled revenue	48,148.78	33,529.11
Prepaid expenses	930.90	949.44
Balance with government authorities	12,869.59	6,882.85
Export Incentive receivable	1,523.35	1,571.22
Others *	89.84	226.64
Total	88,951.62	86,970.00

* includes miscellaneous recoverables from employees and suppliers

NOTE 20 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Authorised share capital	85,000,000	850.00	85,000,000	850.00
(Equity shares of ₹1/- each with voting rights)				
Issued, subscribed & paid up	73,529,510	735.29	73,529,510	735.29
(Equity shares of ₹1/-each fully paid up with voting rights)				
Total	73,529,510	735.29	73,529,510	735.29

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. 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:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the Year	73,529,510	735.29	73,529,510	735.29
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	73,529,510	735.29	73,529,510	735.29

Notes to Financial Statements

(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, 2022		As at March 31, 2021	
	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	33,084,798	45.00%	33,084,798	45.00%
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%

(d) Shareholding of Promoters:

Shares held by promoters at the end of the year Promoter name	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
(i) The Yamuna Syndicate Limited	33,084,798	45.00%	33,084,798	45.00%	No change
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%	
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%	
(iv) N. A. Cold Storages Private Limited	1,500,470	2.04%	1,500,470	2.04%	
(v) Mrs. Nina Puri	159,530	0.22%	159,530	0.22%	

NOTE 21 : OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(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

Notes to Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(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	148,830.42	128,422.62
Add: Net profit for the year	11,281.89	21,823.01
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post employment benefit obligation (net of tax) (refer note 21.1)	317.90	55.38
Less: Appropriations		
- Dividend for the year ended March 31, 2021 @ ₹ 1 per share of ₹ 1 each (for the year ended March 31, 2020 @ ₹ Nil per share of ₹ 1 each)	735.30	-
- Interim Dividend during the year ended March 31, 2022 @ ₹ Nil per share of ₹ 1 each (during the year ended March 31, 2021 @ ₹ 2/- per share of ₹ 1 each)	-	1,470.59
- Dividend distribution tax	-	-
Balance outstanding at the end of the year	159,694.91	148,830.42
Total	177,587.92	166,723.43

Note 21.1: 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 21.2 : 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 company.

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distributions less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

Retained Earnings

This comprise company's undistributed profit after taxes.

Notes to Financial Statements

NOTE 22 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS (MEASURED AT AMORTISED COST)

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Secured		
Term loan from bank (refer note 22.1)	9,999.96	8,738.55
Total	9,999.96	8,738.55

Note 22.1 - Terms of contract and repayment schedule for term loan from bank

(₹ in lakhs)

Balance	Loan amount outstanding	Current maturity	Long term	Rate of interest (p.a.)	Initial loan amount	Terms of repayment	Security
As at March 31, 2022	19,999.92	9,999.96	9,999.96				
As at March 31, 2021	11,169.50	2,500.00	8,669.50	5.45%	19999.92	The loans are repayable in 8 quarterly equal installment over 2 years after 1 year moratorium.	Second pari passu charge on entire immovable fixed assets and current assets of the company except movable and immovable fixed assets located at Dahej unit and excluding fixed assets and vehicles charged exclusively to Term Lenders.
As at March 31, 2022	-	-	-				
As at March 31, 2021	96.86	27.81	69.05	8.90% to 9.20%	132.46	The loans was repayable in 60 Equated Monthly Installment (EMI) and the last EMI of loan was payable in the month of October, 2024. The loan is fully paid prematurely during the year ended March 31, 2022.	Hypothecation of respective vehicles.

Note 22.2 - Disclosure in terms of Clause 4.3 of SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 on Fund raising by issuance of Debt Securities by Large Entities

a) Company is large entity as it's Equity Shares are listed on the recognized Stock Exchanges, its outstanding longtem borrowing is more than ₹10,000 Lakhs as on 31st March, 2022 and have Credit Rating AA(Negative) and A1+ from ICRA.

b) Details of Current block

i)	2 Year block period	FY 2021-22, FY 2022-23
ii)	Incremental borrowing done in FY 2021-22 in long term borrowings	₹8,830.42 Lakhs
		(This is against the original sanction of ₹20,000 Lakhs from HDFC Bank vide its letter dated December 1, 2020. An amount of ₹11,169.50 Lakhs was borrowed in FY 2021 and the balance of ₹8830.42 Lakhs in FY 2022.
		Other than this the Company has not taken any long term loan/borrowings during FY 2022.
iii)	Mandatory borrowing to be done through debt securities in FY 2021-22 (25% of (ii))	₹2207.61 Lakhs
iv)	Actual borrowing done through debt securities in FY 2021-22	NIL
v)	Shortfall in the borrowing through debt securities, if any, for FY2020-21 carried forward to FY 2021-22	NIL
vi)	Quantum of (v) which has been met from (iv)	Not Applicable
vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22. (iii)-[(iv)-(vi)]	₹2207.61 Lakh

Notes to Financial Statements

c) Details of penalty to be paid, if any, in respect to previous block:

i)	2-year block period	FY 2020-21, FY 2021-22
ii)	Amount of fine to be paid for the block, if applicable Fine = 0.2% of [(v)-(vi)]	NIL

NOTE 23 : NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Security deposit under car loan scheme	110.17	80.19
Security deposit	8.50	7.85
Total	118.67	88.04

NOTE 24 : LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for employee benefits		
-Leave encashment	1,961.48	1,958.12
-Pension provision	752.32	843.11
	2,713.80	2,801.23
Provision for warranty (refer note 24.1 and 24.2)	1,981.16	2,270.06
Total	4,694.96	5,071.29

Note 24.1 : 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 24.2 : Movement of provision for warranty

(₹ in lakhs)

Particulars	2021-22	2020-21
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	16,881.53	13,765.48
Additional provision made during the year	4,728.28	4,948.79
Amount used during the year	(2,540.78)	(889.47)
Amount reversed during the year	(4,343.39)	(1,075.82)
Adjustment due to discounting	38.83	132.55
Carrying amount at the end of the year	14,764.47	16,881.53
Break up of Carrying amount at the end of the year		
Long term provisions	1,981.16	2,270.06
Short term provisions (refer note 31)	12,783.31	14,611.47

NOTE 25 : DEFERRED TAX

25.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Employee benefits deductible in future years	771.59	795.17
Property, plant and equipment	175.14	(22.72)
Right of use assets	29.68	27.18

Notes to Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for expected credit losses - Trade receivables	1,216.27	521.96
Provision for expected credit losses - Loan to subsidiaries	102.96	87.84
Fair valuation of investments	(9.12)	(15.57)
Fair valuation of security deposits	0.98	4.43
Others	-	-
Net deferred tax (Liabilities) / Assets	2,287.50	1,398.29

25.2 : Movement in deferred tax Liabilities/deferred tax assets

(₹ in lakhs)

Particulars	Employee benefits deductible in future years	Property, plant and equipment	Right of use assets	Provision for expected credit losses		Fair valuation of investments	Fair valuation of security deposits	Others	Total
				Trade receivables	Loan to subsidiaries				
At March 31, 2020	852.72	(292.42)	11.32	430.13	-	(147.46)	8.07	52.86	915.22
(Charged)/Credited:-									
-to profit & loss	(38.92)	269.70	15.86	91.83	87.84	131.89	(3.64)	(52.86)	501.70
-to other comprehensive income	(18.63)	-	-	-	-	-	-	-	(18.63)
At March 31, 20201	795.17	(22.72)	27.18	521.96	87.84	(15.57)	4.43	-	1,398.29
(Charged)/Credited:-									
-to profit & loss	83.33	197.86	2.50	694.31	15.12	6.45	(3.45)	-	996.12
-to other comprehensive income	(106.91)	-	-	-	-	-	-	-	(106.91)
At March 31, 2022	771.59	175.14	29.68	1,216.27	102.96	(9.12)	0.98	-	2,287.50

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	21,531.28	22,801.09
Total	21,531.28	22,801.09

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
Secured		
From banks		
Working capital demand loan (refer note 27.1 and 27.2)	19,000.00	1,000.00
Cash credit accounts (refer note 27.1 and 27.3)	3,180.56	231.38
Packing credit loans from banks (refer note 27.1 and 27.4)		
In Indian rupees	-	6,975.00
Current maturities of long term debt (refer note 22.1)	9,999.96	2,527.81
Unsecured		
Other loans (refer note 27.5)	1,185.13	411.12
Total	33,365.65	11,145.31

Notes to Financial Statements

Note: 27.1 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: 27.2 Repayable on demand. Rates of Interest for working capital demand loan varied from 4.35% to 4.75% during the above periods.

Note: 27.3 Repayable on demand. Rates of Interest for cash credit accounts varied from 7.25% to 8.35% during the above periods.

Note: 27.4 Average rate of interest on Packing Credit Loans from Banks:

Particulars	As at March 31, 2022	As at March 31, 2021
In Indian rupees	5.21%	5.88%

Note: 27.5 Represents payments to MSME creditors through Receivable Exchange of India Ltd. (RXIL) portal, payable to RXIL on due dates.

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro and Small Enterprises (refer note 28.1)	11,479.99	8,864.86
Total outstanding dues of creditors other than Micro and Small Enterprises *	110,692.75	136,279.26
Total	122,172.74	145,144.12

* includes balances with related parties (refer note 49)

Note 28.1 : 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, 2022	As at March 31, 2021
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	11,479.99	8,864.86
- interest	3.56	16.04
(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	-	-
(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	-	-
(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.	-	-

Notes to Financial Statements

Note 28.2 : Trade payables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	12,736.56	485.28	25.97	7.39	103.01	13,358.21
ii) Others	18,307.66	31,993.03	1,097.71	889.97	2,136.14	54,424.51
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	54,390.02	-	-	-	-	54,390.02
Total	85,434.24	32,478.31	1,123.68	897.36	2,239.15	122,172.74

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	2,224.71	5,238.30	877.98	134.69	389.18	8,864.86
ii) Others	13,160.95	47,199.69	3,938.63	1,108.53	2,758.54	68,166.34
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	9.51	-	-	65.23	74.74
v) Unbilled	68,038.18	-	-	-	-	68,038.18
Total	83,423.84	52,447.50	4,816.61	1,243.22	3,212.95	145,144.12

NOTE 29 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Unclaimed dividends	104.20	123.08
Interest accrued but not due on borrowings	33.49	30.19
Security deposits received	159.44	131.71
Payable to employees	2,713.54	1,468.38
Foreign exchange forward contract payable	164.27	302.69
Capital creditors	323.72	261.61
Managerial /directors remuneration payable *	365.52	624.76
Expense payable	1,555.74	373.24
Other payables #	235.43	21.45
Total	5,655.35	3,337.11

* includes balances with related parties (refer note 49)

includes stale cheques and other refundables

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance from customers	52,365.69	51,685.78
Unearned revenue	46,476.51	39,749.74
Statutory dues	1,811.47	4,104.87
Government grant	17.27	19.43
Others *	1,032.86	2,363.93
Total	101,703.80	97,923.75

* includes provision for site expense and non trade payables

Notes to Financial Statements

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Leave encashment	215.54	193.16
-Gratuity (refer note 37)	313.76	250.74
-Pension provision	136.41	165.07
	665.71	608.97
Provision for CSR (refer note 40.1)	160.93	101.12
Provision for warranty (refer note 24.1 and 24.2)	12,783.31	14,611.47
Total	13,609.95	15,321.56

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	394,885.29	373,864.23
Erection, commissioning and related services	39,993.97	45,352.08
Other operating revenue (refer note 32.1)	9,567.26	11,744.29
Total	444,446.52	430,960.60

Note 32.1 : Other operating revenues

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Commission earned	333.45	-
Export incentives	968.74	2,548.77
Packing receipts	5.66	1.71
Unclaimed balances / liabilities no longer required written back	202.84	271.11
Foreign exchange fluctuations	2,883.95	2,807.73
Fair value gain on derivatives	415.97	1,556.16
Sale of scrap and waste	1,748.24	1,614.99
Lease rent receipts {refer note 46 (B)}	2,990.00	2,935.00
Miscellaneous income	18.41	8.82
Total	9,567.26	11,744.29

NOTE 33 : OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income :		
On loans to subsidiary companies	407.45	158.53
On bank deposits	120.97	167.49
On other deposits and investments	230.42	180.19

Notes to Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised cost	7.88	7.28
Total	766.72	513.49
(b) Dividend income on equity investments :		
Subsidiary companies		
- Saraswati Sugar Mills Limited	1,064.99	2,307.47
- Isgec Hitachi Zosen Limited	102.00	204.00
- Isgec Titan Metal Fabricators Private Limited	127.50	25.50
- Isgec SFW Boilers Private Limited	61.20	-
Other companies	0.01	0.07
Total	1,355.70	2,537.04
(c) Net gain on sale of investments (measured at fair value through profit and loss)	121.04	38.84
Total	121.04	38.84
(d) Other non operating income :		
Profit on sale of property, plant and equipment	52.37	102.22
Insurance claim receipts	23.19	132.50
Gain on investments carried at fair value through profit or loss	-	4.56
Miscellaneous income	284.88	232.31
Total	360.44	471.59
Grand Total	2,603.90	3,560.96

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material consumed (refer note 34.1)	71,815.88	48,296.84
Store consumed	3,858.41	3,047.15
Total	75,674.29	51,343.99

Note 34.1 : Details of raw materials and components consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Iron and steel	20,058.70	10,755.14
Alloys	2,849.79	1,595.76
Components and M.S. scrap	48,907.39	35,945.94
Total	71,815.88	48,296.84

Notes to Financial Statements

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchases of stock-in-trade	202,155.26	193,271.07
Provision/(reversal) for foreseeable losses on construction contracts	(1,241.58)	376.82
Total	200,913.68	193,647.89

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK - IN - TRADE & WORK - IN - PROGRESS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock		
Work - in - progress	23,198.26	32,276.03
Total	23,198.26	32,276.03
Closing stock		
Work - in - Progress	27,970.76	23,198.26
Total	27,970.76	23,198.26
Changes in inventory	(4,772.50)	9,077.77

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & wages	29,460.10	24,907.97
Contribution to provident & other funds	1,798.54	2,395.37
Staff welfare expenses	609.96	627.40
Total	31,868.60	27,930.74

NOTE 37.1 : 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	2021-22	2020-21
Employer contribution towards:		
Employees state insurance	5.91	8.33
Superannuation fund	38.05	47.80
National pension scheme	167.02	166.70
Labour welfare fund	7.53	7.29
Total	218.51	230.12

Notes to 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)	
	2021-22	2020-21
i. Change in present value of obligation		
a. Present value of obligation at the beginning of the year	6,596.44	6,841.86
b. Interest cost	448.56	465.25
c. Current service cost	517.63	520.18
d. Benefits paid	(682.91)	(964.72)
e. Actuarial (gain) / loss	(184.04)	(266.13)
f. Present value of obligation at the end of the year	6,695.68	6,596.44
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	6,345.69	6,404.10
b. Expected Interest Income	431.51	435.48
c. Actuarial gain/(loss) for the year on asset	240.77	(192.12)
d. Contributions	63.12	682.19
e. Mortality, admin and FMC charges	(16.26)	(19.23)
f. Benefits paid	(682.91)	(964.72)
g. Fair value of plan assets at the end of the year	6,381.92	6,345.70
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	6,381.92	6,345.70
b. Present value of obligation at the end of the year	6,695.68	6,596.44
c. Amount recognised in the balance sheet	(313.76)	(250.74)
- Current	(313.76)	(250.74)
iv. Expenses recognised in the statement of profit & loss		
a. Current service cost	517.63	520.18
b. Interest cost	448.56	465.25
c. Expected return on plan assets	(431.51)	(435.48)
d. Expenses recognised in the profit & loss	534.68	549.95
v. Recognised in other comprehensive income for the year		
a. Net cumulative unrecognized actuarial gain/(loss) opening	(277.38)	(351.39)
b. Actuarial gain/(loss) for the year on present benefit obligation	184.04	266.13
c. Actuarial gain/(loss) for the year on assets	240.77	(192.12)
d. Unrecognized actuarial gain/(loss) at the end of the year	147.43	(277.38)
vi. Actuarial assumptions		
a. Discount rate (per annum)	7.22%	6.80%
b. Rate of escalation in salary (per annum)	6.50%	6.50%

Notes to Financial Statements

(c) Amounts for the current and previous period in respect of gratuity are as follows:

(₹ in lakhs)

Particulars	Gratuity (Funded)				
	2021-22	2020-21	2019-20	2018-19	2017-18
Defined benefit obligation	6,695.68	6,596.44	6,841.86	6,291.14	5,874.39
Plan assets	6,381.92	6,345.70	6,404.10	6,336.61	5,821.34
Surplus / (deficit)	(313.76)	(250.74)	(437.76)	45.48	(53.05)

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
a. Within next twelve months	830.99	824.37
b. Between one to five years	1,761.82	1,683.38
c. Between five to ten years	4,102.87	4,088.69

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	6,695.68	6,596.44
(i) Impact due to increase of 0.50%	(271.47)	(276.75)
(ii) Impact due to decrease of 0.50%	293.32	299.80
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	6,695.68	6,596.44
(i) Impact due to increase of 0.50%	293.95	299.21
(ii) Impact due to decrease of 0.50%	(274.48)	(278.76)

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.

Notes to Financial Statements

(f) Major category of plan asset (as percentage of total plan asset)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Fund managed by insurer	100%	100%

(g) Other long term employee benefits

Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars	As at March 31, 2022	As at March 31, 2021
	Rate (%)	Rate (%)
a) Discount rate	7.13 - 7.18	6.80
b) Future salary increase*	6.50	6.50
c) Retirement age (years)	60	60
d) Ages (withdrawal rate %)		
- Up to 30 Years	3	3
- From 31 to 44 Years	2	2
- Above 44 Years	1	1

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

(h) Mortality rate

	Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
Mortality rate for specimen ages	15	0.000698	45	0.002579	75	0.038221
	20	0.000924	50	0.004436	80	0.061985
	25	0.000931	55	0.007513	85	0.100979
	30	0.000977	60	0.011162	90	0.163507
	35	0.001202	65	0.015932	95	0.259706
	40	0.001680	70	0.024058	100	0.397733

(i) Defined Benefits Plan : Provident fund

The Company started, from the previous year ended on March 31, 2021, treating the contribution to the recognised provident fund trust for its employees which is operated by the Company, as a defined benefit plan instead of defined contribution plan being followed hitherto. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (March 31, 2021: ₹ Nil) as worked out by the actuary has been allocated to the entity based on the corpus value of the entity as at March 31, 2022.

Notes to Financial Statements

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Discounting rate	7.22%	6.80%
Expected guaranteed interest rate	8.10%	8.50%
Expected short fall in interest earnings on the fund	0.05%	0.05%

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1543.71 lakhs for provident fund during the year ended March 31, 2022 (March 31, 2021: ₹ 1,506.46 lakhs).

The Indian Parliament has approved the Code on Social Security, 2020 relating to employee benefits during employment and post employment benefits which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are notified.

NOTE 38 : FINANCE COSTS

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest	1,996.21	1,782.89
Interest on lease liability	79.70	95.09
Other borrowing costs	190.16	397.34
Total	2,266.07	2,275.32

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2022
Depreciation of property plant & equipment	5,474.04	5,544.74
Depreciation / amortization of right-of-use-assets	440.43	384.83
Amortization of intangible assets	624.82	854.28
Total	6,539.29	6,783.85

NOTE 40 : OTHER EXPENSE

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Power & fuel	2,922.61	2,602.92
Other manufacturing expenses	16,090.72	12,862.14
Repairs & maintenance		
-Plant and machinery	1,130.31	814.00
-Building	512.96	451.24
-Others	129.18	83.39
Rent	637.96	535.75
Insurance	1,143.13	949.58

Notes to Financial Statements

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Rates and taxes	203.15	366.22
Commission to selling agents and others	612.98	664.62
Bank charges	2,018.19	1,258.18
Royalty	1,103.46	1,689.13
Electricity and water charges	573.97	479.02
Donation	3.76	1.18
Office and miscellaneous expenses	8,496.88	7,576.82
Legal and professional charges	404.67	282.16
Adjustment of expected credit loss	2,818.78	713.87
Payment to auditors		
-Statutory audit fees	20.00	18.00
-Other services including certification work	1.66	1.60
-For reimbursement of expenses	1.59	1.59
Packing, forwarding and transportation expenses	9,601.19	10,757.84
Design & technical expenses	5,020.09	5,016.26
Travelling expenses	3,300.36	2,526.16
Loss on current investments carried at fair value through profit or loss	22.91	-
Fair value loss on derivatives	415.97	1,556.16
Managerial remuneration	497.92	763.00
Non executive directors' remuneration / sitting fee	26.44	26.87
Corporate social responsibility (CSR) expenses (refer note 40.1)	478.16	407.54
Loss on property, plant and equipment sold / written off	47.93	23.57
Total	58,236.93	52,428.81

NOTE 40.1: CORPORATE SOCIAL RESPONSIBILITY

Disclosure related to corporate social responsibility:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
i) Amount required to be spent by the company for the year	478.16	391.39
ii) Amount arising out of previous financial year	101.12	16.15
iii) Amount of expenditure incurred	418.35	306.42
iv) Shortfall at the end of the year	160.93	101.12
v) Total of previous years shortfall	-	-

vi) Reason for shortfall - to be spent on ongoing projects

vii) Nature of CSR activities -

- a) Covid-19 related expenses - Medical Oxygen Gas Generator Plant, supply of Oxygen Concentrators and Oxygen Gas Cylinders to Hospitals
- b) Promoting Education & Ensuring Environmental Sustainability - Providing Solar Power Systems and Rain Water Harvesting Systems to Schools, providing Training and Skill Development to Apprentice

Notes to Financial Statements

- viii) Details of related party transactions :
- Contribution during the year ending March 31, 2022 - Nil (Previous year Nil)
 - Payable as at March 31, 2022 - Nil (Previous year Nil)
- ix) The company has not incurred any liability by entering into a contractual obligation and accordingly has not made any provision in this regard.

NOTE 41 : TAX EXPENSE

A. Income tax expense

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
(a) Current tax		
Current tax on profit for the year	4,420.50	7,132.39
Adjustments for current tax of prior periods	-	-
Total current tax expenses	4,420.50	7,132.39
(b) Deferred tax		
Decrease/(Increase) in Deferred Tax Assets	(791.81)	(100.11)
(Decrease)/Increase in Deferred Tax Liabilities	(204.31)	(401.59)
Total deferred tax expense	(996.12)	(501.70)
Total income tax expense	3,424.38	6,630.69

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.168% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before income tax	14,706.27	28,453.70
Statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	3,701.27	7,161.23
Additional deduction allowed in Income Tax Act for certain expenditure	(73.13)	(62.94)
Expenditure for which deduction is not allowed under Income Tax Act	145.69	121.33
Differential tax rate on fair value of investments	4.47	260.14
Differential tax rate on sale of investments	(1.35)	(180.35)
Tax on exempt income	(342.95)	(639.94)
Other deductions	(9.62)	(28.78)
Total	3,424.38	6,630.69

NOTE 42 : EARNINGS PER SHARE

Particulars		
	Year ended March 31, 2022	Year ended March 31, 2021
a) Net profit available to equity shareholders (₹ in lakhs)	11,281.89	21,823.01
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 ₹)	15.34	29.68
e) Diluted earning per share (in ₹)	15.34	29.68

Notes to Financial Statements

NOTE 43 : CONTINGENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent liabilities:		
(to the extend not provided for)		
a) Claims against the company not acknowledged as debts	2,432.99	2,331.52
b) Bonds executed in favour of President of India against Export Promotion Capital Goods License and Advance Authorisation and others	14,839.07	19,451.04

NOTE 44 : CORPORATE GUARANTEES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Corporate guarantees given to bank to secure credit facilities given to Isgec Hitachi Zosen Limited	35,426.21	31,292.69
b) Corporate guarantees given to bank to secure credit facilities given to Isgec Titan Metal Fabricators Private Limited	3,628.31	2,640.47
c) Corporate guarantees given to bank to secure credit facilities given to Isgec Redecam Enviro Solutions Private Limited	780.47	886.24

NOTE 45 : COMMITMENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	505.53	423.15

NOTE 46 : LEASES

A. Company as a lessee

The Company has taken various residential /commercial premises and plant and machinery under short term leases. In accordance with Indian Accounting Standard (Ind AS-116) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Residential premises	63.47	122.12
b) Commercial premises	570.77	407.41
c) Plant and machinery	3.72	6.22
Total	637.96	535.75

Notes to Financial Statements

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Building	796.60	909.59
Land	2,421.26	2,502.98
Furniture, fittings and equipment	-	-
Total	3,217.86	3,412.57

The break-up of current and non-current lease liabilities:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	334.89	296.68
Non-current	579.64	720.91
Total	914.53	1,017.59

The following is the movement in lease liabilities:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	1,017.59	1,262.49
Additions	245.71	(4.81)
Finance cost accrued during the period	79.70	95.09
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Payment for leases	428.47	335.18
Balance at the end of the year	914.53	1,017.59

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Less than one year	384.14	368.97
(ii) One to five years	606.86	720.27
(iii) More than five years	55.37	131.99
Total	1,046.37	1,221.23

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes to Financial Statements

Rental expense recorded for short-term leases was ₹ 637.96 lakhs for the year ended March 31, 2022 (Previous year ₹ 535.75 lakhs).

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-116) on 'Leases' disclosure of a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Not later than one year	2,043.57	3,008.42
(ii) Later than one year and not later than five years	7,586.93	132.84
(iii) Later than five years	9,268.55	108.00
Total	18,899.05	3,249.26

NOTE 47 : SEGMENT INFORMATION

The Chief Operating Decision Maker (CODM) of the Company is monitoring the performance of the Company in the following Segments:-

- Manufacturing of Machinery and Equipment Segment
- 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	Year ended March 31, 2022			Year ended March 31, 2021		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	109,803.01	19,730.53	129,533.54	91,589.14	22,095.67	113,684.81
Engineering, Procurement and Construction	334,417.82	1,730.93	336,148.75	339,259.19	976.54	340,235.73
Unallocated	225.69	-	225.69	112.27	-	112.27
Elimination	-	(21,461.46)	(21,461.46)	-	(23,072.21)	(23,072.21)
Segment Total	444,446.52	-	444,446.52	430,960.60	-	430,960.60

Notes to Financial Statements

2 Segment Result (Profit/(Loss) Before Interest and Tax)

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Manufacturing of Machinery & Equipment	11,229.39	13,734.48
Engineering, Procurement and Construction	6,354.08	17,024.40
Unallocated	(1,568.01)	(940.69)
Operating Profit Before Interest and Tax	16,015.46	29,818.19
Less: Interest Expense	(2,075.91)	(1,877.98)
Add: Interest Income	766.72	513.49
Profit Before Tax	14,706.27	28,453.70
Tax Expense	(3,424.38)	(6,630.69)
Profit after tax	11,281.89	21,823.01

3 Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Manufacturing of Machinery & Equipment	125,054.70	111,536.48	91,022.13	82,641.48
Engineering, Procurement and Construction	318,641.66	326,241.91	256,416.31	261,907.49
Unallocated Corporate Assets	102,244.94	86,880.69	20,179.65	12,651.39
Total	545,941.30	524,659.08	367,618.09	357,200.36
Less: Inter Segment Assets/Liabilities	53,851.20	45,927.63	53,851.20	45,927.63
Total	492,090.10	478,731.45	313,766.89	311,272.73

4 Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Manufacturing of Machinery & Equipment	4,102.86	1,800.69	5,011.74	5,376.08
Engineering, Procurement and Construction	1,391.80	1,708.05	940.27	867.39
Unallocated	72.98	8.41	228.57	237.29

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	Year ended
	March 31, 2022	March 31, 2021
Revenue from external customers		
- Within India	403,018.03	366,456.11
- Outside India		
Thailand	1,926.04	17,548.62
Uganda	1,974.71	14,913.73
USA	4,947.17	-
Other countries	32,580.57	32,042.14
Total	444,446.52	430,960.60

Notes to Financial Statements

b) Assets are allocated based on the operation and physical location of the assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current assets		
- Within India	48,898.32	49,252.72
- Outside India	-	-
Total	48,898.32	49,252.72

c) Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2022 - Nil
(Previous year ended March 31, 2021 - Nil)

NOTE 48 : DISCLOSURE UNDER IND AS 115 “ REVENUE FROM CONTRACTS WITH CUSTOMERS”

a. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of services or goods		
Revenue from Manufacturing of Machinery & Equipment	109,803.01	113,684.81
Revenue from Engineering, Procurement and Construction	334,417.82	317,163.52
Others	225.69	112.27
Total revenue from sale of services or goods	444,446.52	430,960.60
Revenue from Contracts with Customers		
Revenue from Customers based in India	403,018.03	366,456.11
Revenue from Customers based outside India	41,428.49	64,504.49
Total Revenue from Contracts with Customers	444,446.52	430,960.60
Timing of Revenue Recognition		
Goods and services transferred over time	334,417.82	317,163.52
Goods and services transferred at a point in time	110,028.70	113,797.08
	444,446.52	430,960.60

b. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	246,584.61	251,791.51
Contract assets	48,148.78	33,529.11
Contract liabilities	120,373.48	114,236.61

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 3,502.71 lakhs was recognised as provision for expected credit losses on trade receivables. (previous year ₹ 2,073.91 lakhs)

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.

Notes to Financial Statements

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

c. Set out below is the amount of revenue recognised from:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts included in contract liabilities at the beginning of the year	114,236.61	109,197.35
Amount received against contract liability during the year	129,113.06	113,331.24
Performance obligations satisfied during the year	122,976.19	108,291.98
Amounts included in contract liabilities at the end of the year	120,373.48	114,236.61

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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	561,859.15	541,947.86
(b) When the entity expects to recognise as revenue		
Within one year	65.26%	61.78%
Within two years	28.18%	32.17%
Within five years	5.91%	6.05%
Thereafter	0.65%	-

NOTE 49 : 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, 2022	As at March 31, 2021
(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	Canada	100	100
7	Isgec Investments PTE Ltd	Singapore	100	100
8	Isgec Hitachi Zosen Limited	India	51	51
9	Isgec SFW Boilers Private Limited	India	51	51
10	Isgec Titan Metal Fabricators Private Limited	India	51	51

Notes to Financial Statements

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2022	As at March 31, 2021
11	Isgec Redecam Enviro Solutions Private Limited	India	51	51
	Stepdown subsidiaries of :			
	- Eagle Press & Equipment Co. Limited			
a)	Eagle Press America Inc.			
b)	2197375 Ontario Inc.			
	- Isgec Investments PTE Ltd			
a)	Bioeq Energy Holdings One			
b)	Bioeq Energy Pte. Ltd.			
c)	Bioeq Energy B.V			
d)	Bioeq Energy Holdings Corp.			
e)	Bukid Verde Inc.			
f)	Cavite Biofuels Producers Inc.			
(iii)	Associates			
	Stepdown associate of Bioeq Energy Holdings Corp.			
1	Penwood Project Land Corp.			
(iv)	Entities over which key management personnel can exercise significant influence			
1	Yamuna Syndicate Ltd.			
2	N. A. Cold Storages Private Limited			
3	Kamla Puri Charitable Trust			
4	Kamla Puri Charitable Foundation			
5	Blue Water Enterprises			
(v)	Key Management Personnel	Designation		
1	Mr. Aditya Puri	Managing Director		
2	Mrs. Nina Puri	Whole-time Director (resigned from the position of whole-time director with effect from March 31, 2021 and continued as non executive director till June 28, 2021)		
3	Mr. Ranjit Puri	Chairman and non executive director		
4	Mr. Vinod Kumar Nagpal	Non Executive Director (retired on September 18, 2020)		
5	Mr. Tahir Hasan	Non Executive Director (retired on September 18, 2020)		
6	Mr. Arun Kathpalia	Non Executive Director (retired on September 18, 2020)		
7	Mr. Vinod Kumar Sachdeva	Non Executive Director (retired on September 18, 2020)		
8	Mr. Sidharth Prasad	Non Executive Independent Director		
9	Mr. Vishal Kirti Keshav Marwaha	Non Executive Independent Director		
10	Mrs. Shivani Hazari	Non Executive Director (resigned with effect from March 12, 2022)		
11	Mr. Arvind Sagar	Non Executive Independent Director (with effect from June 28, 2021)		
12	Mr. Sudershan Kumar Khorana	Company Secretary		

Notes to Financial Statements

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2022	As at March 31, 2021
13	Mr. Kishore Chatnani	Whole-time Director and Chief Financial Officer (whole-time-director with effect from June 28, 2021)		
14	Mr. Sanjay Gulati	Whole-time Director and Head - Manufacturing Units (with effect from June 28, 2021)		
(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	

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	2021-22	2020-21
1	Purchase of goods		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	14.18	4.66
	Isgec Hitachi Zosen Limited	2,049.69	63.15
	Isgec Titan Metal Fabricators Pvt. Ltd.	242.49	914.39
	Isgec Redecam Enviro Solutions Pvt. Ltd.	1,941.40	676.81
	Eagle Press & Equipment Co. Limited	-	0.57
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	146.71	57.56
	Total	4,394.47	1,717.14
2	Sale of goods		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	2,282.38	15,030.51
	Isgec Covema Limited	-	2.55
	Isgec Hitachi Zosen Limited	1.43	16.54
	Isgec Titan Metal Fabricators Pvt. Ltd.	38.98	31.88
	Eagle Press & Equipment Co. Limited	286.75	218.44
	Cavite Biofuels Producers Inc.	-	42.64
	Total	2,609.54	15,342.56

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2021-22	2020-21
3	Purchase of fixed Assets		
	- Subsidiary		
	Isgec Hitachi Zosen Limited	11.14	0.85
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	6.05	2.12
	Total	17.19	2.97
4	Rendering of services		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	160.12	159.62
	Isgec Covema Limited	240.00	240.00
	Isgec Hitachi Zosen Limited	705.06	863.30
	Isgec SFW Boilers Pvt. Ltd.	74.48	67.38
	Isgec Titan Metal Fabricators Pvt. Ltd.	174.54	328.27
	Isgec Redecam Enviro Solutions Pvt. Ltd.	109.74	126.91
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	12.00	12.00
	Total	1,475.94	1,797.48
5	Services received		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	127.56	6.63
	Isgec Hitachi Zosen Limited	102.84	237.59
	Isgec SFW Boilers Pvt. Ltd.	54.93	18.56
	Isgec Titan Metal Fabricators Pvt. Ltd.	-	10.69
	Eagle Press & Equipment Co. Limited	1.86	-
	Total	287.19	273.47
6	Rent received		
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	2,835.00	2,835.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	155.00	100.00
	Isgec Covema Limited	0.36	-
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	3.00	3.00
	- Key Management Personnel		
	Mr. Aditya Puri	11.25	-
	Total	3,004.61	2,938.00
7	Rent paid		
	- Subsidiary		
	Isgec Engineering & Projects Limited	8.64	8.64
	Saraswati Sugar Mills Limited	14.24	7.29
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	69.98	69.98
	- Key Management Personnel		
	Mrs. Nina Puri	33.00	33.00
	Total	125.86	118.91

Notes to Financial Statements

		(₹ in lakhs)	
S.no	Nature of Transaction/Relationship	2021-22	2020-21
8	Interest received		
	- Subsidiary		
	Isgec Investments PTE Ltd	245.59	105.22
	Eagle Press & Equipment Co. Limited	161.86	53.32
	Total	407.45	158.54
9	Reimbursement received for resources utilisation		
	- Subsidiary		
	Isgec Hitachi Zosen Limited	6.19	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	180.70	-
	Total	186.89	-
10	Dividend received		
	- Subsidiary		
	Saraswati Sugar Mills Limited	1,064.99	2,307.47
	Isgec Hitachi Zosen Limited	102.00	204.00
	Isgec SFW Boilers Pvt. Ltd.	61.20	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	127.50	25.50
	Total	1,355.69	2,536.97
11	Dividend paid		
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	330.85	661.70
	N. A. Cold Storages Private Limited	15.00	30.01
	- Key Management Personnel		
	Mr. Ranjit Puri	65.92	131.84
	Mr. Aditya Puri	45.68	91.36
	Mrs. Nina Puri	1.59	3.19
	Mr. Sudershan Kumar Khorana	0.19	0.38
	Mr. Tahir Hasan	0.18	0.35
	Mr. Vinod Kumar Nagpal	0.01	0.01
	Mr. Arun Kathpalia	0.01	0.02
	Mr. Vinod Kumar Sachdeva	0.03	0.08
	Mr. Kishore Chatnani	0.01	0.01
	Total	459.47	918.95
12	Loans given		
	- Subsidiary		
	Isgec Investments PTE Ltd	2,077.48	2,079.43
	Eagle Press & Equipment Co. Limited	2,468.90	347.92
	Total	4,546.38	2,427.35
13	Guarantees given		
	- Subsidiary		
	Isgec Hitachi Zosen Limited	4,004.72	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	-	1,500.00
	Total	4,004.72	1,500.00

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2021-22	2020-21
14	Key management personnel compensation ^		
	Mr. Aditya Puri	500.00	381.50
	Mrs. Nina Puri	-	381.50
	Mr. Sudershan Kumar Khorana	70.06	87.60
	Mr. Kishore Chatnani *	114.85	76.77
	Mr. Sanjay Gulati #	80.93	46.97
	Total	765.84	974.34
	* Remuneration of Mr. Kishore Chatnani is in the position of Chief Financial officer upto 27 th June 2021 and as Whole Time Director & Chief Financial Officer w.e.f. 28 th June 2021		
	# Salary of Mr. Sanjay Gulati is in the position of Head - manufacturing units upto 27 th June 2021 and as Whole Time Director & Head Manufacturing Units w.e.f. 28 th June 2021		
15	Key management personnel remuneration / sitting fees		
	Mr. Ranjit Puri	5.45	4.65
	Mrs. Nina Puri	2.06	-
	Mr. Vinod Kumar Nagpal	-	2.41
	Mr. Tahir Hasan	-	2.12
	Mr. Arun Kathpalia	-	1.42
	Mr. Vinod Kumar Sachdeva	-	2.32
	Mr. Sidharth Prasad	6.25	4.85
	Mr. Vishal Kirti Keshav Marwaha	5.95	4.75
	Mrs. Shivani Hazari	3.44	4.35
	Mr. Arvind Sagar	3.29	-
	Total	26.44	26.87
16	Contribution to trust for post employment benefit		
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,092.15	1,071.54
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	92.09	646.70
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	3.90	51.45
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	0.10	0.11
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	0.12	0.12
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	39.55	51.18

^ 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 Financial Statements

C. Amount due to / from related parties

		(₹ in lakhs)	
S.no	Nature of Transaction/Relationship	As at March 31, 2022	As at March 31, 2021
1	Amount payable as at year end		
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	225.13	22.97
	Isgec Titan Metal Fabricators Pvt. Ltd.	52.26	58.06
	Isgec Redecam Enviro Solutions Pvt. Ltd.	574.03	607.42
	Saraswati Sugar Mills Limited	5.33	341.21
	Isgec SFW Boilers Pvt. Ltd.	8.89	10.06
	Eagle Press & Equipment Co. Limited	-	0.57
	- Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	4.65	0.17
	- Key management personnel		
	Mr. Aditya Puri (Managing Director)	362.61	310.80
	Mrs. Nina Puri (Wholetime Director)	1.85	312.60
	Mr. Sanjay Gulati (Wholetime Director)	1.54	0.36
	Mr. Ranjit Puri (Chairman)	0.23	0.23
	Mr. Vinod Kumar Nagpal	-	0.11
	Mr. Tahir Hasan	-	0.11
	Mr. Arun Kathpalia	-	0.11
	Mr. Vinod Kumar Sachdeva	-	0.11
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Shivani Hazari	0.21	0.23
	Mr. Arvind Sagar	0.17	-
	Total	1,237.36	1,665.58
2	Amount receivable as at year end		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	1,709.90	7,514.55
	Isgec Hitachi Zosen Limited	62.43	1,266.30
	Isgec SFW Boilers Pvt. Ltd.	20.64	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	52.91	321.41
	Isgec Redecam Enviro Solutions Pvt. Ltd.	185.49	225.24
	Eagle Press & Equipment Co. Limited	256.73	336.36
	Isgec Investments PTE Ltd	378.33	132.75
	Isgec Covema Limited	64.91	265.20
	Cavite Biofuels Producers Inc.	25,432.67	25,432.67

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at	
		March 31, 2022	March 31, 2021
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	19.90	15.90
	Total	28,183.91	35,510.38
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	2,643.05
	Isgec Investments PTE Ltd	5.20	5.20
	Isgec Hitachi Zosen Limited	5,100.00	5,100.00
	Isgec SFW 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	16,929.69	16,929.69

D. Outstanding guarantees and securities given on behalf of related parties

(₹ in lakhs)

S. no	Name of the Company	Balance as at	
		March 31, 2022	March 31, 2021
	Guarantees given on behalf of subsidiaries:		
1	Isgec Hitachi Zosen Limited	52,187.50	48,182.78
2	Isgec Titan Metal Fabricators Private Limited	5,950.00	5,950.00
3	Isgec Redecam Enviro Solutions Private Limited	2,000.00	2,000.00
	Securities given on behalf of subsidiaries:		
4	Eagle Press & Equipment Co. Limited	6,517.80	7,427.20

E. Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in lakhs)

S.no	Name of the Company	Balance as at		Maximum outstanding during the year ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Loans given to subsidiaries:				
1	Isgec Investments PTE Ltd	5,246.63	3,169.15	5,246.63	3,169.15
2	Eagle Press & Equipment Co. Limited	3,629.40	1,160.50	3,629.40	1,160.50

Notes to Financial Statements

- F. 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 50 : FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset						
Investments						
-Investments in mutual funds	-	9,900.22	-	-	2,100.08	-
-Other investments	-	1,971.34	-	-	2,232.09	-
Trade receivables - current	227,909.69	-	-	235,936.26	-	-
Trade receivables - non current	18,674.92	-	-	15,855.25	-	-
Loans	9,924.60	-	-	5,196.86	-	-
Cash and cash equivalents	6,594.93	-	-	10,665.41	-	-
Bank balances	1,228.48	-	-	1,440.45	-	-
Foreign currency forward contracts	-	164.27	-	-	302.69	-
Others financial assets	2,732.10	-	-	2,884.68	-	-
Total Financial Assets	267,064.72	12,035.83	-	271,978.91	4,634.86	-
Financial Liabilities						
Borrowings	43,365.61	-	-	19,883.86	-	-
Trade payables	122,172.74	-	-	145,144.12	-	-
Forward contracts	-	164.27	-	-	302.69	-
Lease liability	914.53	-	-	1,017.59	-	-
Other financial liabilities	5,609.75	-	-	3,122.46	-	-
Total Financial Liabilities	172,062.63	164.27	-	169,168.03	302.69	-

* FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

(i) Fair value hierarchy

This section explains the judgments 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.

Notes to Financial Statements

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, 2021	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 mutual funds	2,100.08	2,100.08	-	-
-Other investments	2,232.09	-	2,232.09	-
Foreign currency forward contracts	302.69	-	302.69	-
Total	4,634.86	2,100.08	2,534.78	-
Financial liabilities				
Forward contracts	302.69	-	302.69	-
Total	302.69	-	302.69	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2021				
Financial Assets				
Loan to employees	295.02	-	-	295.02
Loan to subsidiary company	4,329.65	-	-	4,329.65
Security deposit	2,038.15	-	-	2,038.15
Total	6,662.82	-	-	6,662.82
Financial Liabilities				
Borrowings	19,883.86	-	-	19,883.86
Lease liability	1,017.59	-	-	1,017.59
Other financial liabilities	88.04	-	-	88.04
Total	20,989.49	-	-	20,989.49

Notes to Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2022	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets at fair value through profit or loss				
Financial assets				
Investments				
-Investments in mutual funds	9,900.22	9,900.22	-	-
-Other investments	1,971.34	-	1,971.34	-
Foreign currency forward contracts	164.27	-	164.27	-
Total	12,035.83	9,900.22	2,135.61	-
Financial liabilities				
Forward contracts	164.27	-	164.27	-
Total	164.27	-	164.27	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2022				
Financial Assets				
Loan to Employees	353.34	-	-	353.34
Loan to subsidiary company	8,876.03	-	-	8,876.03
Security Deposit	1,692.41	-	-	1,692.41
Total	10,921.78	-	-	10,921.78
Financial Liabilities				
Borrowings	43,365.61	-	-	43,365.61
Lease liability	914.53	-	-	914.53
Other financial liabilities	118.67	-	-	118.67
Total	44,398.81	-	-	44,398.81

(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

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.

Notes to Financial Statements

NOTE 51 : 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 exposed 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, 2022 and March 31, 2021.

(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 company borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Variable rate borrowings	23,365.69	1,642.50
Fixed rate borrowings	19,999.92	18,241.36
Total	43,365.61	19,883.86

(ii) As at the end of reporting period, the company had the following variable rate borrowings outstanding:

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Loans repayable on demand (Cash Credit & Working Capital Demand Loan)	5.05	23,365.69	53.88	8.38	1,642.50	8.26
Net exposure to cash flow interest rate risk		23,365.69			1,642.50	

Notes to Financial Statements

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
INR	+50	+50	116.83	8.21
	-50	-50	-116.83	-8.21

(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			
	USD	Euro	Others	Total
Foreign currency exposure as at March 31, 2022				
Trade receivables	36,235.99	3,152.66	598.31	39,986.96
Other receivables *	15,458.96	-	-	15,458.96
Loans and other advances	-	-	9,310.00	9,310.00
Bank balances in current accounts and term deposits accounts	1.35	0.01	8.34	9.70
Trade payables	3,549.53	1,652.97	559.97	5,762.47
Hedged Portion	25,850.99	4,805.63	1,148.44	31,805.06
Net Exposure to foreign currency risk	29,394.84	0.01	9,328.18	38,723.03
Foreign currency exposure as at March 31, 2021				
Trade receivables	51,468.52	1,850.49	294.18	53,613.19
Other receivables *	14,911.82	-	-	14,911.82
Loans and other advances	-	-	4,516.42	4,516.42
Bank balances in current accounts and term deposits accounts	1.36	0.01	19.39	20.76
Trade payables	3,061.28	1,152.51	33.52	4,247.31
Hedged Portion	38,769.46	2,971.43	317.72	42,058.61
Net Exposure to foreign currency risk	30,673.52	31.58	4,545.79	35,250.89

* This amount is recoverable against refund of Bank Guarantee invoked by a customer, Cavite Biofuel Producers Inc (CBPI). Subsequently, CBPI has been acquired by one of our subsidiary companies on 3rd October 2019.

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

Notes to Financial Statements

Particulars	2021-22		2020-21	
	1% increase	1% decrease	1% increase	1% decrease
USD	293.95	-293.95	306.74	-306.74
Euro	-	-	0.32	-0.32
Others	93.28	-93.28	45.46	-45.46

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

(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:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty.
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- Significant increase in credit risk and other financial instruments of the same counterparty
- 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:

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2020					
Gross Carrying Amount	118,395.83	43,140.66	6,005.20	42,410.66	209,952.35
Expected Credit Loss	-	-	52.13	1,656.92	1,709.05
Carrying Amount (net of impairment)	118,395.83	43,140.66	5,953.07	40,753.74	208,243.30

Notes to Financial Statements

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2021					
Gross Carrying Amount	171,699.82	47,665.04	2,140.04	32,360.52	253,865.42
Expected Credit Loss	-	-	19.39	2,054.52	2,073.91
Carrying Amount (net of impairment)	171,699.82	47,665.04	2,120.65	30,306.00	251,791.51
As at March 31, 2022					
Gross Carrying Amount	167,496.29	35,386.38	10,556.69	37,977.87	251,417.23
Expected Credit Loss	-	137.34	48.52	4,646.76	4,832.62
Carrying Amount (net of impairment)	167,496.29	35,249.04	10,508.17	33,331.11	246,584.61

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	ECL for Loan to Subsidiary Company *	Total
As at March 31, 2020	1,709.05	-	1,709.05
Provided during the year	364.86	349.00	713.86
Amounts written off	-	-	-
Reversal of provisions	-	-	-
As at March 31, 2021	2,073.91	349.00	2,422.91
Provided during the year	2,758.71	60.08	2,818.79
Amounts written off	-	-	-
Reversal of provisions	-	-	-
As at March 31, 2022	4,832.62	409.08	5,241.70

* Refer Note 7

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 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:

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(₹ in lakhs)

As at March 31, 2022	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	43,365.61	4,365.69	28,999.96	9,999.96	43,365.61
Trade payables	122,172.74	-	122,172.74	-	122,172.74
Lease liability	914.53	-	334.89	579.64	914.53
Other Liabilities	5,774.02	-	5,655.35	118.67	5,774.02
Total	172,226.90	4,365.69	157,162.94	10,698.27	172,226.90

(₹ in lakhs)

As at March 31, 2021	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	19,883.86	642.50	10,502.81	8,738.55	19,883.86
Trade payables	145,144.12	-	145,144.12	-	145,144.12
Lease liability	1,017.59	-	296.68	720.91	1,017.59
Other Liabilities	3,425.15	-	3,337.11	88.04	3,425.15
Total	169,470.72	642.50	159,280.72	9,547.50	169,470.72

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, 2022	As at March 31, 2021
Bank overdraft and other facilities	36,634.31	51,382.50

NOTE 52 : 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, 2022	As at March 31, 2021
Debt	43,365.61	19,883.86
Less: Cash & cash equivalent	6,594.93	10,665.41
Less: investments in liquid mutual funds	9,900.22	2,100.08
Net Debt	26,870.46	7,118.37
Total Equity	178,323.21	167,458.72
Total Equity and Net Debt	205,193.67	174,577.09
Net debt to equity plus debt ratio (Gearing Ratio)	13.1%	4.1%

Notes-

- Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in note 22 and 27.
- 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

Notes to Financial Statements

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 years and previous years.

(C) Dividends

(₹ in lakhs)

Particulars	Recognized in the year ending	
	March 31, 2022	March 31, 2021
(i) Dividends Recognized		
Dividend for the year ended March 31, 2021 ₹1/- per equity share of ₹1/- each (for the year ended March 31, 2020 ₹ NIL per equity share of ₹1/- each)	735.3	-
Interim dividend during the year ended March 31, 2021 ₹ Nil per equity share of ₹1/- each (during the year ended March 31, 2021 ₹2/- per equity share of ₹1/- each)	-	1,470.59
(ii) Dividend proposed but not recognised in the books of accounts *		
The Board of Directors have recommended the payment of a final dividend of ₹ 2/- per equity share of ₹ 1/- each (March 31, 2021 ₹ 1/- per equity share of ₹ 1/- each)	1,470.59	735.30

* The proposed dividend is subject to the approval of shareholders in the ensuing general meeting

NOTE 53 : PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT UNDER SECTION 186 OF COMPANIES ACT 2013

₹ 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	As at March 31, 2022	As at March 31, 2021
1	Guarantees Given to Banks for Subsidiary and Joint Venture Companies:			
	Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	52,187.50	48,182.78
	Isgec Titan Metal Fabricators Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	5,950.00	5,950.00
	Isgec Redecam Enviro Solutions Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00	2,000.00
	Total		60,137.50	56,132.78
2	Guarantees Given to Wholly Owned Subsidiary Companies:			
	Eagle Press & Equipment Co. Ltd, Canada	SBLC provided by HSBC India out of our Non Fund Based limits to HSBC Canada to secure Term Loan and Working Capital Credit Facilities to Eagle Press & Equipment Co. Ltd., Canada	6,517.80	7,427.20
	Total		6,517.80	7,427.20

Notes to Financial Statements

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	As at March 31, 2022	As at March 31, 2021
3	Loans to Subsidiaries :			
	Isgec Investments PTE Ltd. Singapore	To meet expenses of Subsidiary Company	5,246.63	3,169.15
	Eagle Press & Equipment Co. Ltd. Canada	For Capital Expenditure and Working Capital Facility	3,629.40	1,160.50
	Total		8,876.03	4,329.65

4	Investment	Face Value (₹ per Share / Unit)	No. of Shares/ Units	As at March 31, 2022	As at March 31, 2021
	Equity Shares of Subsidiary Companies (At cost) :				
	Isgec Covema Limited	10	2000000	200.00	200.00
	Isgec Exports Limited	10	100000	10.00	10.00
	Isgec Engineering & Projects Limited	10	4000000	400.00	400.00
	Saraswati Sugar Mills Limited	10	7099900	7,009.99	7,009.99
	Freelook Software Private Limited	10	24650	1,306.45	1,306.45
	Eagle Press & Equipment Co. Ltd. Canada	CAD 1	4500000	2,643.05	2,643.05
	Isgec Investments PTE Ltd. Singapore	SGD 1	10000	5.20	5.20
	Isgec Hitachi Zosen Limited	10	51000000	5,100.00	5,100.00
	Isgec Foster Wheeler Boilers Pvt. Limited	10	1020000	102.00	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510000	51.00	51.00
	Isgec Redecam Enviro Solutions Private Limited	10	1020000	102.00	102.00
	Total :			16,929.69	16,929.69
	Grand Total :			92,461.02	84,819.32

NOTE 54 : RATIO ANALYSIS

(₹ in lakhs)

	Ratios	Numerator	Denominator	FY 2021-2022	FY 2020-2021	Percentage variance	Explanation for any change in the ratio by more than 25% as compared to the preceding year
1	Current Ratio	Current assets	Current liabilities	1.42	1.42	-	-
2	Debt-Equity Ratio	Total debt = Long term borrowings + Short term borrowings	Shareholder's equity	0.05	0.05	-	
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	8.44	14.25	-40.77	Profits have been reduced due to reasons explained below (refer point no 9 and 10). There is also some increase in Working Capital borrowing as per business requirements.
4	Return on Equity Ratio	Net profit after tax*	Average shareholder's equity	1.63%	3.47%	-52.98	Refer comment given for ratios at point no 9 and 10.

Notes to Financial Statements

(₹ in lakhs)

	Ratios	Numerator	Denominator	FY 2021- 2022	FY 2020- 2021	Perce- tage variance	Explanation for any change in the ratio by more than 25% as compared to the preceding year
5	Inventory Turnover Ratio	Sale of product	Average inventory	7.69	7.58	1.46	
6	Trade Receivables Turnover Ratio	Revenue from operation	Average trade receivables	1.80	1.94	-7.27	
7	Trade Payables Turnover Ratio	Net credit purchases	Average trade payables	2.49	2.37	5.42	
8	Net Capital Turnover Ratio	Revenue from operation	Average working capital	3.81	4.24	-10.18	
9	Net Profit Ratio	Net profit after tax*	Revenue from operation	2.54%	5.06%	-49.87	Profitability has been reduced due to (a) adverse impact of commodity price increase, particularly of steel and other metals, (b) time & cost overruns on projects (c) shortage of skilled manpower and (d) sharp increase in freight cost as a result of Covid-19 related disruptions. Employee cost was also higher as compared to last year as there was salary cuts last year.
10	Return on Capital Employed	Profit before interest and tax	Total equity + long term borrowings + Deferred tax liability	9.01%	17.44%	-48.32	
11	Return on Investment	Income on Investment = Interest income on loans and deposits, dividends, capital gain on alternate investment funds	Average of Non-current & Current Investments, Loans to subsidiaries and Fixed Deposits	6.67%	10.88%	-38.71	Lower dividend income received and rate of interest on Bank Fixed deposits.

* Profit After Tax Before Other Comprehensive Income

NOTE 55 : OTHER STATUTORY INFORMATION

- (i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC) beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to Financial Statements

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) There is no Immovable Properties Title deeds of those are not held in the name of the Company.
- (ix) The company has no investment property and accordingly its fair valuation is not required at year end.
- (x) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.
- (xi) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are :
- a. repayable on demand; or
 - b. without specifying any terms or period of repayment.
- (xii) The company has not defaulted on loan from any bank or financial Institution or other lender
- (xiii) Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable
- (xiv) The company has borrowings from banks, secured by hypothecation of inventories and by a charge on book debts and other assets of the company, and quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts without any material discrepancies.
- (xv) The company is not declared willful defaulter by any bank or financial institution or other lender.
- (xvi) The company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.
- (xvii) The company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.

Notes to Financial Statements

NOTE 55.1 : CAPITAL WORK IN PROGRESS (CWIP) AGING SCHEDULE

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 21, 2022)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	709.54	93.68	29.79	2.13	835.14
ii) Projects temporarily suspended	-	-	-	-	-
Total					835.14

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 21, 2021)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	351.50	493.38	18.41	-	863.29
ii) Projects temporarily suspended	-	-	-	-	-
Total					863.29

No project in capital work-in-progress as on March 31,2021 and March 31,2022 has become overdue nor its cost has exceeded compared to its original plan.

NOTE 56 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Salaries & wages	180.29	153.65
Contribution to Provident & other Funds	9.69	9.04
Others	21.66	23.25
Total	211.64	185.94

NOTE 57 : 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	M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Rajnagar, Ghaziabad, Uttar Pradesh - 201 002
c)	Filing of Cost Audit Report	
		Year ended
		March 31, 2022
		Year ended
		March 31, 2021
	i) Due Date of Filing of Cost Audit Report	27.09.2022
	ii) Actual Date of Filing Cost Audit Report	Not Yet Due
		27.09.2021
		28.08.2021

Notes to Financial Statements

NOTE 58 : IMPACT OF COVID 19 (GLOBAL PANDEMIC)

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material on long term basis based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statement has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products and services. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these standalone financial statement.

Note 59 : Contribution to political parties during the year 2021-22 is ₹ Nil (previous year: ₹ Nil)

Note 60 : Previous year figures have been regrouped/recasted wherever necessary to make them comparable as per requirements of amended Schedule III.

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

CA Abhinav Khosla
Partner
M. No.: 087010

For & on behalf of the Board of Directors
S.K. Khorana
Executive Director & Company Secretary
M.No.: 1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

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") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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 (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 and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of subsidiaries and associate, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2022, 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 Act. Our responsibilities under those Standards are further

described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to Note 56 to the consolidated Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations, carrying amounts of property, plant & equipment, intangible assets, investments, recoverability of receivables and other assets and Management's evaluation of the future performance of the Group. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve. 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p data-bbox="228 300 837 321">Revenue recognition for construction contracts</p> <p data-bbox="228 342 837 657">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.</p> <p data-bbox="228 695 837 884">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.</p> <p data-bbox="228 921 837 1110">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.</p> <p data-bbox="228 1148 837 1201">Refer Note 3.5 to the consolidated Ind AS financial statements.</p>	<p data-bbox="854 300 1495 321">Principal Audit Procedures</p> <p data-bbox="854 342 1495 436">In the context of our work, the procedures set up in terms of contribution to revenues of construction contracts consisted of :</p> <ul data-bbox="854 457 1495 1514" style="list-style-type: none"> <li data-bbox="854 457 1495 552">• Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. <li data-bbox="854 573 1495 720">• Performing testing of the design and implementation 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. <li data-bbox="854 741 1495 1245">• 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. <li data-bbox="854 1266 1495 1413">• 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. <li data-bbox="854 1434 1495 1514">• Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the consolidated 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 Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows 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 Management and Board of Directors of the companies included in the Group and of its associate 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 its associate 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 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 Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Management and the Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS 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 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 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 financial 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 Holding Company and its subsidiaries incorporated in India 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 the Management and Board of Directors 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 and its associate 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 and its associate 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 within the Group and its associate of which we are the independent Auditors and whose financial statements we have audited, 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 Ind AS financial statements of which we are the independent Auditors. For the other entities included in the consolidated Ind AS 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.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

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 and other financial information in respect of seventeen subsidiaries, whose financial statement reflect total assets of ₹2,22,738 Lakhs as at March 31, 2022, the total revenues of ₹17,359 Lakhs, total net loss after tax of ₹16,839 Lakhs, total comprehensive loss of ₹16,847 Lakhs and net cash outflow of ₹815 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹2 Lakhs for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements and other financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors whose auditor's 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 associate 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 and associate, is based solely on the reports of the other auditors.

Certain of the above mentioned subsidiaries and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS 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 and the financial statements/ financial information certified by the Management.

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 and other financial information of subsidiaries and associate, 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, 2022 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 Companies incorporated in India, is disqualified as on March 31, 2022 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 subsidiary companies incorporated in India, the remuneration for the year ended March 31, 2022 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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based upon the reports of other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph,:
 - 1) The consolidated Ind AS financial statements

disclose the impact of pending litigation on its consolidated financial position of the Group and its associate- Refer Note 43 to the consolidated Ind AS financial statements.

- 2) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- 3) 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.
- 4)
 - a) The respective Management of the Holding Company and its subsidiary companies incorporated in India has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources of kinds of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiaries companies incorporated in India (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.
 - b) The respective Management of the Holding Company and its subsidiary companies incorporated in India has represented that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on such audit procedures performed by us and that performed by auditor of the subsidiary companies that were considered reasonable and appropriate in the circumstances, nothing has come to our notice or other auditor that has caused us or other auditors to believe that the representation under sub-clause (a) and (b) above contains any material misstatement.
- 5)
 - i) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year in accordance with Section 123 of the Act, as applicable.
 - ii) The Board of Directors of the Holding Company have proposed the final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Abhinav Khosla
Partner

Place: Noida
Dated: May 28, 2022

Membership No.: 087010
ICAI UDIN: 22087010AJUUYH4891

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, 2022

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 March 31, 2022, 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 Management 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 companies 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 companies 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

March 31, 2022, 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 seven 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

Place: Noida
Dated: May 28, 2022

Membership No.: 087010
ICAI UDIN: 22087010AJUUYH4891

Consolidated Balance Sheet

as at March 31, 2022

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	4	86,782.65	68,928.60
(b) Right-of-use assets	4A	4,439.64	5,149.47
(c) Capital work - in - progress	54.1	70,153.65	89,305.66
(d) Goodwill	5	2,324.91	2,258.51
(e) Other intangible assets	5	4,106.21	3,952.75
(f) Biological assets other than bearer plants	4	56.16	21.92
(g) Investments accounted for using equity method	6	1,590.65	1,673.92
(h) Financial assets			
(i) Loans	7	311.05	265.88
(ii) Trade receivables	8	18,674.92	15,855.25
(iii) Other financial assets	9	2,198.30	1,271.68
(i) Deferred tax assets	10	1,897.84	1,526.77
(j) Other non - current assets	11	1,718.83	1,152.75
Total non-current assets		194,254.81	191,363.16
(2) Current assets			
(a) Inventories	12	140,344.88	115,281.45
(b) Financial assets			
(i) Investments	13	11,871.56	4,332.17
(ii) Trade receivables	14	215,183.51	214,503.08
(iii) Cash and cash equivalents	15	10,128.00	15,454.60
(iv) Bank balances other than (iii) above	16	3,517.87	2,479.46
(v) Loans	17	799.95	862.01
(vi) Other financial assets	18	2,568.81	7,537.00
(c) Current tax assets	19	1,651.03	373.14
(d) Other current assets	20	95,663.78	93,844.80
Total current assets		481,729.39	454,667.71
Total assets		675,984.20	646,030.87
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	21	735.29	735.29
(b) Other Equity	22	211,357.61	201,415.20
Equity attributable to owners of Parent		212,092.90	202,150.49
Non Controlling Interest		8,117.11	7,777.78
Total equity		220,210.01	209,928.27
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	46,521.15	46,350.74
(ia) Lease liabilities		2,413.55	2,864.09
(ii) Other financial liabilities	24	3,338.85	2,686.12

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(b) Provisions	25	5,671.03	6,007.92
(c) Different tax liabilities	10	1,876.06	2,182.93
(d) Other non - current liabilities	26	21,651.37	22,828.06
Total non-current liabilities		81,472.01	82,919.86
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	73,983.30	48,640.14
(ia) Lease liabilities		400.59	404.00
(ii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small Enterprises		11,490.00	9,521.94
b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		133,036.03	152,662.48
(iii) Other financial liabilities	29	9,317.97	7,045.30
(b) Other current liabilities	30	131,572.11	117,750.45
(c) Provisions	31	14,391.25	16,033.05
(d) Current tax liabilities (net)	19	110.93	1,125.38
Total current liabilities		374,302.18	353,182.74
Total equity & liabilities		675,984.20	646,030.87

The accompanying notes from 1 to 58 form an integral part of the financial statements

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

CA Abhinav Khosla
Partner
M. No.: 087010

For & on behalf of the Board of Directors
S.K. Khorana
Executive Director & Company Secretary
M.No.: 1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	32	549,934.28	542,556.73
II Other income	33	1,323.56	5,176.56
III Total income (I + II)		551,257.84	547,733.29
IV Expenses			
Cost of materials consumed	34	159,314.76	122,395.30
Purchase of Stock-in-Trade	35	200,142.97	196,207.68
Erection and commissioning expenses		62,268.02	59,500.27
Changes in inventories of finished goods, Stock - in - Trade and work - in - progress	36	(19,843.60)	10,924.11
Employee benefits expense	37	43,302.99	38,404.46
Finance costs	38	6,515.88	5,024.33
Depreciation and amortization expense	39	10,135.85	10,085.99
Other expenses	40	73,613.35	69,628.33
Total expenses		535,450.22	512,170.47
V Profit / (loss) before share of an associate and tax (III - IV)		15,807.62	35,562.82
VI Share of profit / (loss) of an associate		2.36	18.43
VII Profit / (loss) before tax (V + VI)		15,809.98	35,581.25
VIII Tax expense	41		
(1) Current tax		5,078.15	9,843.34
(2) Deferred tax		(748.58)	463.53
(3) Earlier years tax		(18.13)	(32.84)
Total tax expense		4,311.44	10,274.03
IX Profit / (loss) for the year (VII - VIII)		11,498.54	25,307.22
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of post employment defined benefit plans		464.17	116.75
(b) Equity instruments through other comprehensive income		-	-
(c) Income tax relating to items that will not be reclassified to profit or loss		(115.20)	(31.77)
B (ii) Items that will be reclassified to profit or loss			
(a) Exchange difference on translation of foreign operation		(551.17)	300.22
Total other comprehensive income		(202.20)	385.20
XI Total comprehensive income (IX + X) (Comprising Profit and Other Comprehensive Income for the year)		11,296.34	25,692.42
Profit for the year		11,498.54	25,307.22
Attributable to:			
Owners of the parent		10,881.13	24,785.40
Non-controlling interests		617.41	521.82
Other comprehensive for the year		(202.20)	385.20

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Attributable to:			
Owners of the parent		(203.42)	375.89
Non-controlling interests		1.22	9.31
Total comprehensive income of the year:		11,296.34	25,692.42
Attributable to:			
Owners of the parent		10,677.71	25,161.29
Non-controlling interests		618.63	531.13
XII Earnings per equity share (nominal value of ₹ 1/- each) for Profit attributable to Owners of the Parent	42		
Basic (in ₹)		14.80	33.71
Diluted (in ₹)		14.80	33.71

The accompanying notes from 1 to 58 form an integral part of the financial statements

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

CA Abhinav Khosla
Partner
M. No.: 087010

For & on behalf of the Board of Directors
S.K. Khorana
Executive Director & Company Secretary
M.No.: 1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	15,809.98	35,581.25
Adjustments:		
Depreciation and amortization expenses	10,135.85	10,085.99
(Profit)/Loss on diminution in value of stores and investments	12.53	8.69
(Gain)/Loss on disposal of property, plant and equipment	(1.98)	(57.49)
(Gain)/loss on sale of financial instruments	(127.34)	(41.26)
Change in fair value of financial instruments (investment)	-	(4.56)
Provision for expected credit loss	(233.00)	707.10
Bad debts written off	3.12	-
Liabilities no longer required written back	(1,031.41)	(899.72)
Interest income	(516.48)	(520.37)
Amortization of processing fees	(110.58)	92.19
Finance/interest costs	6,515.88	5,024.33
Unrealised foreign exchange (gain)/loss	(351.38)	1,479.48
Adjustment for profit / (loss) from associate	(2.36)	(18.43)
Adjustment due to discounting in warranty provision	35.93	134.42
Cash flow before working capital adjustments	30,138.76	51,571.62
Working capital adjustments		
(Increase) / Decrease in trade receivables	(2,750.59)	(44,233.84)
(Increase) / Decrease in other receivables	1,531.45	(4,418.81)
(Increase)/decrease in inventories	(25,075.96)	4,319.55
Increase / (Decrease) in trade and other payables	(1,926.19)	21,647.19
Increase / (Decrease) in payables and provisions	(1,550.45)	2,604.89
Cash flow after working capital requirements	367.02	31,490.60
Income Tax paid (net of refund)	(7,396.92)	(8,708.63)
Net cash flow from / (used in) operating activities	(7,029.90)	22,781.97
B. Cash flow from Investing activities		
Proceeds from sale of property, plant and equipment	136.49	478.54
Purchase of property, plant and equipment including capital work-in-progress	(5,629.57)	(24,173.08)
Purchase of intangible assets	(943.38)	(152.53)
Sale/(Purchase) of equity shares/mutual funds	(7,412.05)	3,912.49
Proceeds from sale of financial instruments	(937.41)	957.17
Interest income received	557.43	412.04
Income received from investment in associates	85.63	(36.77)
Net cash flow from / (used in) investing activities	(14,142.86)	(18,602.14)
C. Cash flow from Financing activities		
Dividend paid on equity shares	(1,033.48)	(1,720.30)
Payments for lease liability	(612.12)	(495.71)
Finance/interest cost - long term/short term	(7,581.21)	(3,875.12)
Proceeds from long term borrowings	13,060.42	18,369.50
Repayment of long term borrowings	(2,245.94)	(7,643.48)
Proceeds / (repayment) from short term borrowings (net)	15,987.83	(13,550.49)
Net cash flow from / (used in) financing activities	17,575.50	(8,915.60)

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,597.26)	(4,735.77)
Cash and cash equivalents at the beginning of the year	15,454.60	17,973.48
Effect of Foreign currency translation	(1,729.34)	2,216.89
Cash and cash equivalents at the end of the year	10,128.00	15,454.60
Components of cash and cash equivalents		
Balances with banks - In current accounts (refer note 15)	9,022.39	13,341.00
Balances with banks - In fixed deposits accounts with original maturity of less than three months (refer note 15)	944.95	2,093.07
Cheques and drafts on hand (refer note 15)	141.40	0.39
Cash on hand (refer note 15)	19.26	20.14
Cash and cash equivalents	10,128.00	15,454.60

Notes:

1. Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended	Year ended
	March 31, 2022	March 31, 2021
Opening balance	94,990.88	95,853.99
Non-cash changes due to		
- Charge of amortization of processing fees	(110.58)	92.19
- Effect of Foreign currency translation	(1,178.16)	1,869.17
Cash flows during the year		
- Proceeds from long term borrowings (refer note 23.1)	13,060.42	18,369.50
- Repayment of long term borrowings (refer note 23.1)	(2,245.94)	(7,643.48)
- Net Proceeds / (repayment) from short term borrowings, other than current maturities of long term debt (refer note 27)	15,987.83	(13,550.49)
Closing balance	120,504.45	94,990.88

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

3. Figures in brackets indicate cash outgo.

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

For & 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 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Particulars	Amount
As at April 1, 2020	735.29
Changes during the year	-
As at March 31, 2021	735.29
Changes during the year	-
As at March 31, 2022	735.29

B. OTHER EQUITY

Particulars	Attributable to Owners of the Parent									Non Controlling Interest	Total
	Reserves and Surplus								Total Other Equity		
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Foreign currency translation reserve			
Balance as at April 1, 2020	14,445.71	450.22	3.24	18,816.93	142,874.99	109.12	12.22	1,012.07	177,724.50	7,467.15	185,191.65
Profit for the year	-	-	-	-	24,766.97	-	-	-	24,766.97	521.82	25,288.79
Share of profit/(loss) of an associate	-	-	-	-	18.43	-	-	-	18.43	-	18.43
Other comprehensive income for the year	-	-	-	-	75.67	-	-	300.22	375.89	9.31	385.20
Total comprehensive income for the year	-	-	-	-	24,861.07	-	-	300.22	25,161.29	531.13	25,692.42
Dividend paid	-	-	-	-	(1,470.59)	-	-	-	(1,470.59)	(220.50)	(1,691.09)
Balance as at March 31, 2021	14,445.71	450.22	3.24	18,816.93	166,265.47	109.12	12.22	1,312.29	201,415.20	7,777.78	209,192.98
Profit for the year	-	-	-	-	10,878.77	-	-	-	10,878.77	617.41	11,496.18
Share of profit/(loss) of an associate	-	-	-	-	2.36	-	-	-	2.36	-	2.36
Other comprehensive income for the year	-	-	-	-	347.75	-	-	(551.17)	(203.42)	1.22	(202.20)
Total comprehensive income for the year	-	-	-	-	11,228.88	-	-	(551.17)	10,677.71	618.63	11,296.34
Dividend paid	-	-	-	-	(735.30)	-	-	-	(735.30)	(279.30)	(1,014.60)
Balance as at March 31, 2022	14,445.71	450.22	3.24	18,816.93	176,759.05	109.12	12.22	761.12	211,357.61	8,117.11	219,474.72

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

For & 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 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194

Notes to Consolidated Financial Statements

NOTE 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) and National Stock Exchange (NSE). The registered office of the Company is situated at Radaur Road, Yamunanagar-135001, Haryana, India.

The Group has four segments i.e.(a) Manufacturing of machinery & equipment (b) Engineering, Procurement & Construction,(c) Sugar (d) Ethanol. Manufacture of machinery & equipment comprise manufacture of process plant equipment, mechanical and hydraulic presses, alloy steel and 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 equipment and air pollution control equipment for customers in India and abroad. Sugar consists of manufacture and sale of sugar and its by-products and Ethanol consists of manufacture and sale of ethanol and its by-products.

The Company together with its subsidiaries is hereinafter referred to as “the Group”.

NOTE 2 : BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2022. 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 loses 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 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.

NOTE 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 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 Group's Board of Directors on 28th May 2022.

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:

- **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.**

Notes to Consolidated Financial Statements

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 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.

Notes to Consolidated Financial Statements

3.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification as per Group's normal operating cycle and other criteria set out in the Schedule III to the Act. 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 Group 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. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

3.5 Revenue Recognition

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Notes to Consolidated Financial Statements

A. 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.

B. Revenue from Construction Contracts

Revenues are recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. The Group recognises revenue over time as it performs because of continuous transfer of control to the customers. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls the work in process as evidenced either by contractual termination clauses or by the rights of the Group to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternate use.

Revenues are recognised over time under percentage of completion method. The percentage of completion method has been determined using input method which recognises revenue on the basis of costs incurred to date compared to total estimated contract costs. The Group uses cost based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts.

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. Generally, the Group is entering into fixed price contracts with its customers. However, in very few contracts, additional revenue is claimable or revenue is reduced, based on variations in prices of few of key raw material prices such as steel, cement etc. Additional claims are raised on customers for such variations in prices of such materials, on pre-fixed terms and conditions specified in these contracts with customers.

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

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Unearned Revenue". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer".

- C. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established.

D. Rental Income

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

Notes to Consolidated Financial Statements

E. 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.

(iii) Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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.

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 Group 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 Group 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.

Notes to Consolidated Financial Statements

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 Group; 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.

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.

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 amortized over the useful economic life which is reviewed at the end of each reporting period. Based on this criteria, presently such assets are being amortized 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.

Notes to Consolidated Financial Statements

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 Group makes contribution to the recognised provident fund trust for its employees which is operated by the Group, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Group's contribution to the provident fund is charged to Statement of Profit and Loss.

(ii) Gratuity

The Group 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 Group treats the accumulated leave, which is expected to be utilised or paid in next twelve months, as short term employee benefits. The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. 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 and such benefits are classified as defined contribution scheme as the Group 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 Group's erstwhile Pension scheme (since discontinued) has been accounted for on accrual basis.

(vi) Superannuation Benefit

The Group 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.

Notes to Consolidated Financial Statements

3.12 Leases

As a Lessee

The Group has lease contracts for various items of building, plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group, otherwise it was classified as an operating lease. Finance lease were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized, and the lease payments were recognized as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under prepayments and trade and other payables, respectively.

The Group assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases.

For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease. The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

Notes to Consolidated Financial Statements

As a Lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

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 recognized in 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 Group incurs in connection with the borrowing of funds.

3.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group 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.

Notes to Consolidated Financial Statements

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 Group; 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 Group.

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 Group. 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 Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group 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 Group 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).

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 Group 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 and financial liabilities are classified in the following broad categories:

Notes to Consolidated Financial Statements

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 Group 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. The Group is following fair value hedges method as the same is applicable to the kind of transactions being carried out by the Group.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Notes to Consolidated Financial Statements

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 Group 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 Group 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 Group 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.

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 and Non-monetary items are translated using the exchange rate prevailing at the reporting date.

iii. Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Notes to Consolidated Financial Statements

3.23 Research and Development Expenses

Research expenditure is charged to the standalone statement of profit and loss. Development costs of products are also charged to the standalone statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.24 Fair Value Measurement

The Group 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 Group 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 Group 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.

3.25 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

- (i) Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its financial statements.

Notes to Consolidated Financial Statements

- (ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.
- (iii) Ind AS 103 – Business Combinations: The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.
- (iv) Ind AS 109 – Financial Instruments: The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Notes to Consolidated Financial Statements

NOTE 4 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Free Hold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Bearer plants	Biological assets other than bearer plants	Total
Gross carrying value									
As at April 1, 2020	12,888.19	24,347.47	60,487.28	1,162.20	1,724.99	4,258.26	142.07	-	105,010.46
Additions	626.89	480.93	4,356.81	28.28	129.71	562.48	99.14	21.92	6,306.16
Disposals	-	10.00	386.97	13.29	193.38	75.60	-	-	679.24
Translation difference	22.22	240.02	240.96	-	-	14.13	3.22	-	520.55
As at March 31, 2021	13,537.30	25,058.42	64,698.08	1,177.19	1,661.32	4,759.27	244.43	21.92	111,157.93
Additions	109.90	2,444.08	22,904.23	99.64	282.36	825.99	183.70	63.47	26,913.37
Disposals	-	-	216.24	4.92	221.98	133.17	-	-	576.31
Translation difference	11.03	82.16	(53.74)	-	-	7.28	(12.49)	(0.18)	34.06
As at March 31, 2022	13,658.23	27,584.66	87,332.33	1,271.91	1,721.70	5,459.37	415.64	85.21	137,529.05
Accumulated depreciation									
As at April 1, 2020	-	6,152.34	23,491.52	816.40	912.69	2,677.70	5.04	-	34,055.69
Charge for the year	-	1,506.10	5,804.53	81.95	260.57	726.23	36.63	-	8,416.01
Disposals	-	5.63	127.21	9.34	101.47	98.20	-	-	341.85
Translation difference	-	21.22	50.65	-	-	5.52	0.17	-	77.56
As at March 31, 2021	-	7,674.03	29,219.49	889.01	1,071.79	3,311.25	41.84	-	42,207.41
Charge for the year	-	1,534.84	6,149.94	95.88	223.55	668.34	15.58	-	8,688.13
Disposals	-	-	156.89	4.30	167.29	113.32	-	-	441.80
Adjustments	-	-	142.50	-	-	-	95.76	29.05	267.31
Translation difference	-	13.16	(42.29)	-	-	4.07	(5.75)	-	(30.81)
As at March 31, 2022	-	9,222.03	35,312.75	980.59	1,128.05	3,870.34	147.43	29.05	50,690.24
Net carrying value									
As at March 31, 2021	13,537.30	17,384.39	35,478.59	288.18	589.53	1,448.02	202.59	21.92	68,950.52
As at March 31, 2022	13,658.23	18,362.63	52,019.58	291.32	593.65	1,589.03	268.21	56.16	86,838.81

(i) Contractual commitment towards purchase of property, plant and equipment, refer note 43.

(ii) Borrowing cost capitalized during the year is ₹ 254.88 lakhs (previous year ₹ 96.58 lakhs).

Notes to Consolidated Financial Statements

NOTE 4A : RIGHT-OF-USE ASSETS

(₹ in lakhs)

Particulars	Category of Right of Use asset		Total
	Land (Leasehold)	Buildings	
Gross carrying value			
As at April 1, 2020	3,012.52	3,395.06	6,407.58
Additions	-	314.49	314.49
Deletions	-	14.34	14.34
Translation difference	1.37	11.26	12.63
As at March 31, 2021	3,013.89	3,706.47	6,720.36
Additions	-	312.63	312.63
Deletions	-	216.62	216.62
Translation difference	-3.15	114.70	111.55
As at March 31, 2022	3,010.74	3,917.18	6,927.92
Accumulated depreciation			
As at April 1, 2020	372.17	483.89	856.06
Charge for the year	91.18	626.13	717.31
Deletions	-	-	-
Translation difference	0.12	-2.60	-2.48
As at March 31, 2021	463.47	1,107.42	1,570.89
Charge for the year	91.12	633.08	724.20
Deletions	-	-	-
Translation difference	-1.02	194.21	193.19
As at March 31, 2022	553.57	1,934.71	2,488.28
Net carrying value			
As at March 31, 2021	2,550.42	2,599.05	5,149.47
As at March 31, 2022	2,457.17	1,982.47	4,439.64

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, 2020	2,708.70	7,693.74	10,402.44	2,124.76	12,527.20
Additions	152.53	-	152.53	-	152.53
Disposals	7.62	114.01	121.63	-	121.63
Translation difference	-	148.45	148.45	133.75	282.20
As at March 31, 2021	2,853.61	7,728.18	10,581.79	2,258.51	12,840.30
Additions	60.70	742.86	803.56	-	803.56
Disposals	-	-	-	-	-
Translation difference	-	73.70	73.70	66.40	140.10
As at March 31, 2022	2,914.31	8,544.74	11,459.05	2,324.91	13,783.96
Accumulated amortisation					
As at April 1, 2020	1,983.97	3,730.79	5,714.76	-	5,714.76
Charge for the year	322.52	630.15	952.67	-	952.67

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Software	Technical know how	Total (other intangible assets)	Goodwill	Total
Disposals	6.59	31.38	37.97		37.97
Translation difference	(0.42)	-	(0.42)	-	(0.42)
As at March 31, 2021	2,299.48	4,329.56	6,629.04	-	6,629.04
Charge for the year	220.48	503.04	723.52	-	723.52
Disposals	-	-	-		-
Translation difference	0.28	-	0.28	-	0.28
As at March 31, 2022	2,520.24	4,832.60	7,352.84	-	7,352.84
Net carrying value					
As at March 31, 2021	554.13	3,398.62	3,952.75	2,258.51	6,211.26
As at March 31, 2022	394.07	3,712.14	4,106.21	2,324.91	6,431.12

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Investments accounted for using equity method

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments of associate company		
Penwood Project Land Corporation (PPLC)	1,590.65	1,673.92
Total investments	1,590.65	1,673.92
Aggregate Value of Investments:		
Aggregate amount of quoted investments and market value thereof :	-	-
Aggregate amount of unquoted investments:	1,590.65	1,673.92
Aggregate amount of impairment in value of investments:	-	-

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans receivables considered good - Secured		
- Loans to employees	208.54	217.21
Loans receivables considered good - Unsecured		
- Loans to employees	102.51	48.67
Total	311.05	265.88

Notes to Consolidated Financial Statements

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	18,674.92	15,855.25
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Allowance for expected credit losses	-	-
Total	18,674.92	15,855.25

NOTE 8.1 : TRADE RECEIVABLES AGEING

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment				
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	Total
i) Undisputed Trade receivables - Considered good	18,674.92	-	-	-	18,674.92
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	18,674.92	-	-	-	18,674.92

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 for the following period from the due date of payment				
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	Total
i) Undisputed Trade receivables - Considered good	15,855.25	-	-	-	15,855.25
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	15,855.25	-	-	-	15,855.25

Notes to Consolidated Financial Statements

NOTE 9 : NON-CURRENT FINANCIAL ASSETS - OTHERS

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
- Fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve months	969.10	727.58
- Interest accrued but not due on deposits	12.85	23.64
- Security deposit (other than Government)*	1,216.35	520.46
Total	2,198.30	1,271.68

* Includes balances with related parties (refer note 46)

NOTE 10 : DEFERRED TAX ASSETS / LIABILITIES (NET)

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (refer note 10.1)	1,897.84	1,526.77
Deferred tax liabilities (refer note 10.2)	1,876.06	2,182.93

Note 10.1 : The balance comprises temporary differences attributable to:

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Deferred tax assets		
Employee benefits	782.26	804.86
Fair valuation of investments	0.99	[5.46]
Property, plant & equipment	972.09	[23.68]
Brought forward business losses	(570.55)	105.43
Provision for expected credit losses	551.16	609.80
Other items	161.89	35.82
Net deferred tax assets/(liabilities)	1,897.84	1,526.77
(b) MAT credit entitlement (refer note 10.3)		
Total deferred tax assets/(liabilities)	1,897.84	1,526.77

Notes to Consolidated Financial Statements

Movement in Deferred tax Assets

(₹ in lakhs)

Particulars	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, 2020	859.71	(137.35)	(795.77)	1,167.54	430.13	117.49	1,641.75
(Charged)/credited:-							
-to profit & loss	(36.22)	131.89	772.29	(1,062.11)	179.67	(81.67)	(96.15)
-to other comprehensive income	(18.63)	-	(0.20)	-	-	-	(18.83)
-to translation difference	-	-	-	-	-	-	-
As at March 31, 2021	804.86	(5.46)	(23.68)	105.43	609.80	35.82	1,526.77
(Charged)/credited:-							
-to profit & loss	84.31	6.45	1,025.38	(695.15)	(58.64)	114.24	476.59
-to other comprehensive income	(106.91)	-	(0.42)	-	-	-	(107.33)
-to translation difference	-	-	(29.19)	19.17	-	11.83	1.81
As at March 31, 2022	782.26	0.99	972.09	(570.55)	551.16	161.89	1,897.84

Note 10.2 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Deferred tax Liabilities		
Defined benefit obligation	122.65	121.37
Provisions	-	-
Property, plant & equipment	(1,759.65)	(2,152.85)
B/F Business Losses	-	451.21
Other items	(239.06)	(602.66)
Net deferred tax assets/(liabilities)	(1,876.06)	(2,182.93)
(b) MAT credit entitlement (refer note 10.3)	-	-
Net deferred tax assets/(liabilities)	(1,876.06)	(2,182.93)

Movement in deferred tax liabilities

(₹ in lakhs)

Particulars	Defined Benefit Obligation/ Employee Benefits	Property, Plant & Equipment	B/F Business Losses	Other items	Total
As at April 1, 2020	168.29	(1,532.71)	-	(463.10)	(1,827.52)
Deferred Tax Assets on Acquisition	-	-	-	-	-
(Charged)/credited:-					
-to profit & loss	(33.98)	(573.04)	342.63	(104.37)	(368.76)
-to other comprehensive income	(12.94)	-	-	-	(12.94)
-to translation difference	-	(47.10)	108.58	(35.19)	26.29
As at March 31, 2021	121.37	(2,152.85)	451.21	(602.66)	(2,182.93)

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Defined Benefit Obligation/ Employee Benefits	Property, Plant & Equipment	B/F Business Losses	Other items	Total
Deferred Tax Assets on Acquisition	-	-	-	-	-
(Charged)/credited:-					
-to profit & loss	9.15	393.19	(451.21)	320.85	271.98
-to other comprehensive income	(7.87)	-	-	-	(7.87)
-to translation difference	-	-	-	42.75	42.76
As at March 31, 2022	122.65	(1,759.65)	-	(239.06)	(1,876.06)

NOTE 10.3 : Movement in MAT credit entitlement

(₹ in lakhs)

Particulars	Amount
As at April 1, 2020	4.18
(Charged)/credited:-	
-to profit & loss	-
-to other comprehensive income	-
-adjusted in current tax	(4.18)
As at March 31, 2021	-
(Charged)/credited:-	
-to profit & loss	-
-to other comprehensive income	-
-adjusted in current tax	-
As at March 31, 2022	-

NOTE 11 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances recoverable other than in cash		
Considered good - Unsecured		
Capital advances	542.55	69.75
WCT receivables	17.23	17.23
Service tax on input services	693.57	659.46
Balance with Statutory / Government authorities	85.50	-
Prepaid expenses	103.50	109.59
Others*	276.48	296.72
Total	1,718.83	1,152.75

* includes advances other than capital advances

Notes to Consolidated Financial Statements

NOTE 12 : INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

(₹ in lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Raw materials		
Raw materials	24,014.18	15,787.71
Raw materials in transit	2,419.74	2,710.81
Work - in - progress		
Engineering goods	49,907.65	41,362.08
Ingots and steel castings	2,323.50	2,612.17
Sugar	71.94	110.37
Molasses & Ethanol	7,054.38	-
Finished goods		
Engineered goods	7,666.44	3,446.82
Sugar	37,708.35	36,284.35
Molasses	-	1,133.12
Ethanol	60.25	-
Stock-in-Trade		
Goods in transit	4,747.78	8,296.83
Goods at warehouse	434.04	598.09
Stores & spares	3,751.41	2,836.68
Stores & spares in transit	54.36	-
Loose tools & others	71.81	55.80
Firm commitment on Purchases	-	5.00
Others	59.05	41.62
Total	140,344.88	115,281.45

For inventories hypothecated/pledged as security, please refer note 27.

NOTE 13 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
At fair value through profit or loss				
a) Investments in mutual funds				
-Unquoted				
SBI Magnum Low Duration Fund - Regular Plan - Growth	180,875	5,149.74		
SBI Short Term Debt Fund - Regular Plan - Growth	3,839,213	999.95		
SBI Overnight Fund - Regular - Growth	109,495	3,750.53	63,268	2,100.08
		9,900.22		2,100.08
b) Other investments				
-Unquoted				
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		132.47		196.14
ASK Real Estate Special Opportunities Fund		631.27		622.50
ASK Real Estate Special Situations Fund		199.24		196.95

Notes to Consolidated Financial Statements

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
Edelweiss Real Estate Opportunities Fund (EROF)		77.94		109.02
Investcorp Score Fund		92.40		155.71
India Whizdom Fund		-		8.02
Indiabulls High Yield Fund		180.84		209.57
Indiabulls Dual Advantage Commercial Asset Fund		511.20		501.26
Nippon India Yield Maximiser Fund Scheme-I		33.51		32.19
Nippon India Yield Maximiser Scheme-III		112.47		200.73
		1,971.34		2,232.09
Total current investments (a + b)		11,871.56		4,332.17
Aggregate value of investments :				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments (accounted based on respective net asset value)		11,871.56		4,332.17
Aggregate amount of impairment in value of investments		-		-

NOTE 14 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured *	217,373.43	216,577.33
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Trade receivable - credit impaired	79.23	79.23
Allowance for expected credit losses	(2,269.15)	(2,153.48)
Total	215,183.51	214,503.08

* For trade receivables hypothecated/pledged as security, refer note 27.

Note 14.1 : Trade receivables Ageing

Particulars	(₹ in lakhs)						
	Outstanding as on March 31, 2022 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - Considered good	166,728.75	3,540.66	3,912.57	6,899.83	2,184.23	2,688.40	215,954.44
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	943.10	5.95	-	24.30	70.57	375.07	1,419.00
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	79.23	79.23
Total	167,671.85	33,546.62	3,912.57	6,924.13	2,254.80	3,142.70	217,452.66
vii) Allowance for credit losses							(2,269.15)
Total							215,183.51

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 for the following period from the due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Undisputed Trade receivables - Considered good	157,323.48	44,851.66	2,269.46	3,801.81	3,073.15	3,008.11	214,327.66
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered good	1,209.75	180.39	24.30	136.38	-	698.85	2,249.67
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	79.23	79.23
Total	158,533.23	45,032.05	2,293.76	3,938.19	3,073.15	3,786.19	216,656.56
vii) Allowance for credit losses							(2,153.48)
Total							214,503.08

Notes to Consolidated Financial Statements

NOTE 15 : CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In current accounts	9,022.39	13,341.00
- In fixed deposits accounts with original maturity of less than three months	944.95	2,093.07
Cheques and drafts on hand	141.40	0.39
Cash on hand	19.26	20.14
Total	10,128.00	15,454.60

NOTE 16 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks:		
- In fixed deposits accounts maturing within one year	1,026.10	-
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	2,387.57	2,356.38
Earmarked - Unclaimed dividend accounts	104.20	123.08
Total	3,517.87	2,479.46

NOTE 17 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans receivables considered good - Secured		
Loans to employees	84.74	85.06
Loans receivables considered good - Unsecured		
Advances to employees	643.01	747.91
Advance to group gratuity trust	72.20	29.04
Total	799.95	862.01

NOTE 18 : CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives		
Foreign exchange forward contract receivables	188.12	303.29
Others		
Interest accrued but not due on bank fixed deposits	293.15	323.31
Government subsidy recoverable	868.12	5,342.84
Interest subvention on term loan recoverable	439.64	315.02
Security deposits *	763.29	1,232.55
Interest accrued on security deposits	16.49	19.99
Total	2,568.81	7,537.00

* includes balances with related parties (refer note 46)

Notes to Consolidated Financial Statements

NOTE 19 : CURRENT TAX ASSETS /LIABILITIES

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Prepaid income taxes	6,166.97	536.55
Less: provisions for income tax	4,515.94	163.41
Net current tax assets	1,651.03	373.14
Provisions for income- tax	355.30	8,415.09
Less: Prepaid income taxes	244.37	7,289.71
Net current tax liabilities	110.93	1,125.38

NOTE 20 : OTHER CURRENT ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Advances to suppliers	26,111.16	43,647.79
Others		
Prepaid expenses	1,514.53	1,356.84
Balance with government authorities	17,242.74	12,977.52
Group gratuity fund	218.76	209.75
Export incentive receivable	1,645.82	1,583.56
Imprest to Employees	0.28	-
Unbilled revenue	48,797.49	33,549.10
Others *	133.00	520.24
Total	95,663.78	93,844.80

* includes miscellaneous recoverables from employees, suppliers and credits with government

NOTE 21 : SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Authorised share capital	85,000,000	850.00	85,000,000	850.00
(Equity shares of ₹1/- each with voting rights) (Previous year Equity shares of ₹ 1/- each with voting rights)				
Issued, subscribed & paid up	73,529,510	735.29	73,529,510	735.29
(Equity shares of ₹1/-each fully paid up with voting rights) (Previous year Equity shares of ₹ 1/- each with voting rights)				
Total		735.29		735.29

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 ₹ 1 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

Notes to Consolidated Financial Statements

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:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the Year	73,529,510	735.29	73,529,510	735.29
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity shares outstanding at the end of the year	73,529,510	735.29	73,529,510	735.29

(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, 2022		As at March 31, 2021	
	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 Limited	33,084,798	45.00%	33,084,798	45.00%
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%

(d) Shareholding of Promoters:

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Promoter name					
(i) Yamuna Syndicate Limited	33,084,798	45.00%	33,084,798	45.00%	No change
(ii) Mr. Ranjit Puri	6,592,010	8.97%	6,592,010	8.97%	
(iii) Mr. Aditya Puri	4,568,080	6.21%	4,568,080	6.21%	
(iv) N. A. Cold Storages Private Limited	1,500,470	2.04%	1,500,470	2.04%	
(v) Mrs. Nina Puri	159,530	0.22%	159,530	0.22%	

Notes to Consolidated Financial Statements

NOTE 22 : OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital reserve		
Balance outstanding at the beginning of the year	14,445.71	14,445.71
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of the year (refer note 22.2)	14,445.71	14,445.71
(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 22.2)	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 22.2)	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 22.2)	18,816.93	18,816.93
(e) Retained earnings		
Balance outstanding at the beginning of the year	166,265.47	142,874.99
Add: Profit for the year	10,878.77	24,766.97
Add: Share of profit/(loss) of an associate	2.36	18.43
- Remeasurements of Post Employment Benefits Obligations (refer note 22.1)	347.75	75.67
Less: Appropriations		
- Dividend paid including dividend distribution tax	735.30	-
- Interim dividend paid including dividend distribution tax	-	1,470.59
Balance outstanding at the end of the year	176,759.05	166,265.47
(f) Other comprehensive income (specify nature)		
(i) Equity Instruments through Other Comprehensive Income		
- Balance outstanding at the beginning of the year	109.12	109.12
- Other comprehensive income for the year	-	-
- Balance outstanding at the end of the year (refer note 22.2)	109.12	109.12
(ii) Effective Portion of Cash Flow Hedges		
- Balance outstanding at the beginning of the year	12.22	12.22
- Other comprehensive income for the year	-	-
- Balance outstanding at the end of the year (refer note 22.2)	12.22	12.22

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(iii) Foreign currency translation reserve		
- Balance outstanding at the beginning of the year	1312.29	1,012.07
- Other comprehensive income for the year	(551.17)	300.22
- Balance outstanding at the end of the year (refer note 22.2)	761.12	1,312.29
Total	211,357.61	201,415.20

Note 22.1: 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 22.2 : 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.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.

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.

Notes to Consolidated Financial Statements

NOTE 23 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured				
Indian Rupee Term Loan from Bank (refer note 23.1)	19,529.38	16,399.50	13,039.96	3,720.00
Vehicle Loan from Bank (refer note 23.2)	-	69.05	-	27.81
Secured				
Foreign currency loan (refer note 23.3)	26,991.76	29,882.19	3,273.63	3,210.45
Total	46,521.15	46,350.74	16,313.59	6,958.26

Note 23.1 - Terms of Repayment of Borrowings are as follows:

(₹ in lakhs)

Balance	Loan amount outstanding	Non-current	Current maturity	Rate of interest (p.a.)	Terms of repayment	Security
As at March 31, 2022	11,319.42	8,779.42	2,540.00	6 month MCLR+spread of 105 bps. Group received in principal approval from Government of India for grant of interest subvention as per scheme i.e. 6% p.a or 50% of rate of interest charged by the bank for maximum loan amount of ₹9660 lakh, which ever is lower.	The loans are repayable in equal quarterly instalments of ₹ 635 lakhs each starting from Dec-2021 to September 2026	Term loan from bank under the Central Government Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity is secured by way of exclusive charge over all immovable fixed properties / hypothecation of moveable fixed properties both present and future all pertaining and specific to the project and second pari passu hypothecation charge on current assets and second pari passu charge on fixed assets of the Group.
As at March 31, 2021	7,200.00	6,480.00	720.00			
As at March 31, 2022	1,250.00	750.00	500.00	MCLR 1Y + 0.80% p.a.	5 Year (Initial year being moratorium Period). Payable in 16 equal quarterly installments of ₹125 lakhs each in subsequent 4 years.	First charge on Plant and Machinery exclusively/ specifically procured by utilizing above said loan amount.
As at March 31, 2021	1,750.00	1,250.00	500.00			
As at March 31, 2022	19,999.92	9,999.96	9,999.96	5.45%	The loans are repayable in 8 quarterly equal installment over 2 years after 1 year moratorium.	Second pari passu charge on entire immovable fixed assets and current assets of the company except movable and immovable fixed assets located at Dahej unit and excluding fixed assets and vehicles charged exclusively to Term Lenders.
As at March 31, 2021	11,169.50	8,669.50	2,500.00			
Total as at March 31, 2022	32,569.34	19,529.38	13,039.96			
Total as at March 31, 2021	20,119.50	16,399.50	3,720.00			

Notes to Consolidated Financial Statements

Note 23.2 - Terms of Repayment of Borrowings are as follows:

(₹ in lakhs)

Balance	Loan amount outstanding	Non-current	Current maturity	Rate of interest (p.a.)	Terms of repayment	Security
As at March 31, 2022	-	-	-		The loans are repayable in 60 Equated Monthly Installment (EMI) and the last EMI of loan is payable in the month of October, 2024.	Hypothecation of respective vehicles.
As at March 31, 2021	96.86	69.05	27.81	8.90% to 9.20%	The loan is fully paid prematurely during the year ended March 31, 2022.	

Note 23.3 - Terms of Repayment of Borrowings are as follows:

(₹ in lakhs)

Balance	Loan amount outstanding	Non-current	Current maturity	Rate of interest (p.a.)	Terms of repayment	Security
As at March 31, 2022	4,083.08	2,449.85	1,633.23	Bank's prime rate - 0.75% per annum.	Repayments commenced 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 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 Limited.
As at March 31, 2021	5,483.37	3,916.69	1,566.68	Bank's prime rate - 0.25% per annum.		
As at March 31, 2022	26,182.32	24,541.91	1,640.40	5.75%	Repayable in 12 years in equal and successive semi-annually installments from date of initial drawdown i.e. January, 2018.	Secured by mortgage of plant under construction of Cavite Biofuels Producers Inc. (Philippines), Biological assets in the sugarcane plantation of Bukid Verde Inc. (Philippines) and land of Penwood Project Land Corp (Philippines).
As at March 31, 2021	27,609.27	25,965.50	1,643.77	6.50%		
Total as at March 31, 2022	30,265.39	26,991.76	3,273.63			
Total as at March 31, 2021	33,092.64	29,882.19	3,210.45			

NOTE 24 : NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	3,266.64	2,530.52
Security deposit under car loan scheme	30.70	107.10
Security deposit - Others	41.51	48.50
Total	3,338.85	2,686.12

Notes to Consolidated Financial Statements

NOTE 25 : LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for employee benefits		
- Gratuity	23.33	15.89
- Leave encashment	2,278.66	2,265.70
- Pension provision	935.37	1,026.56
	3,237.36	3,308.15
Provision for warranty (refer note 25.1 & 25.2)	2,433.67	2,699.77
Total	5,671.03	6,007.92

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	
	2021-22	2020-21
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the Year	17,867.46	14,870.21
Additional provision made during the year	5,140.66	5,393.51
Amount used during the year	(2,567.48)	(1,370.51)
Amount reversed during the year	(4,590.18)	(1,160.17)
Adjustment due to discounting	35.93	134.42
Carrying amount at the end of the year	15,886.39	17,867.46
Break up of carrying amount at the end of the year		
Long term provisions	2,433.67	2,699.77
Short term provisions (refer note 31)	13,452.72	15,167.69

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance from customers	21,531.28	22,801.09
Deferred government grant (refer note 26.1)	23.73	26.97
Security deposit under car loan scheme	96.36	-
Total	21,651.37	22,828.06

26.1 : The deferred revenue arises as a result of the benefit received under a scheme from Haryana Government on account of "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 Lakhs received free of cost, whereby such grant is treated as deferred income and is recognised over the useful life of the assets for which such grant is received.

Notes to Consolidated Financial Statements

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Working capital demand loan (WCDL)(refer note 27.1 & 27.2)	41,055.15	23,189.00
Cash credit (refer note 27.1 & 27.3)	12,929.43	3,706.76
Packing credit loan from banks (refer note 27.4)		
-In Indian rupees	2,500.00	14,375.00
Current maturities of long term debt (refer note 23)	16,313.59	6,958.26
Unsecured		
Other Loans (refer note 27.5)	1,185.13	411.12
Total	73,983.30	48,640.14

Note: 27.1 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.

Note: 27.2 WCDL is taken as sub limit under Cash Credit limit. Detail of WCDLs is given below Rate of interest varied from 4.35% to 7.70% p.a. (Previous year 5% to 9.55% p.a.) during the above periods.

Note: 27.3 Repayable on demand. Rate of interest varied from 2.70% to 9.55%p.a. (Previous year 2.70% to 10% p.a) during the above periods.

Note: 27.4 Average rate of interest on packing credit loans from Banks is 5.52% p.a. (Previous year 8.08 % p.a.)

Note: 27.5 Represents payments to MSME creditors through Receivable Exchange of India Ltd. (RXIL) portal, payable to RXIL on due dates.

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro and Small Enterprises (refer note 28.1)	11,490.00	9,521.94
Total outstanding dues of creditors other than Micro and Small Enterprises *	133,036.03	152,662.48
Total	144,526.03	162,184.42

* includes balances with related parties (refer note 46)

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:

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	11,490.00	9,521.94
- interest	7.34	16.45
(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		
(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	0.42	-
(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 28.2 : Trade payables ageing

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2022 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	12,420.23	906.53	28.61	7.39	103.01	13,465.77
ii) Others	26,135.89	44,211.15	1,283.57	931.85	4,107.78	76,670.24
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
v) Unbilled	54,390.02					54,390.02
Total	92,946.14	45,117.68	1,312.18	939.24	4,210.79	144,526.03

(₹ in lakhs)

Particulars	Outstanding as on March 31, 2021 for the following period from the due date of payment					
	Not due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) MSME	2,392.27	5,497.96	1,107.85	134.69	389.17	9,521.94
ii) Others	18,094.29	56,259.47	4,300.45	1,221.25	4,674.10	84,549.56
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	9.51	-	-	65.23	74.74
v) Unbilled	68,038.18					68,038.18
Total	88,524.74	61,766.94	5,408.30	1,355.94	5,128.50	162,184.42

Notes to Consolidated Financial Statements

NOTE 29 : CURRENT FINANCIAL LIABILITIES EXCLUDING PROVISIONS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	134.26	150.16
Unclaimed dividends	104.20	123.08
Security deposit received	1,052.13	903.00
Expense payable	3,366.32	2,404.42
Capital creditors	455.58	371.98
Foreign exchange forwards contracts payable	188.12	308.28
Payable to employees	3,414.10	2,129.86
Managerial /directors remuneration payable *	365.52	624.76
Other payables #	237.74	29.76
Total	9,317.97	7,045.30

* includes balances with related parties (refer note 46)

includes stale cheques and other refundables

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	2,492.78	4,725.21
Unearned revenue	48,476.79	41,431.25
Advance from customers	79,511.15	67,313.37
Deferred Government grants (refer note 26.1)	2.97	2.70
EPCG deferred expense	55.49	-
Others *	1,032.93	4,277.92
Total	131,572.11	117,750.45

* includes provision for site expenses , non trade payables and contractors fees

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity (refer note 37)	337.74	301.45
- Leave encashment	284.83	267.35
- Pension provision	155.03	195.44
	777.60	764.24
Provision for CSR (refer note 40.1)	160.93	101.12
Provision for warranty (refer note 25.1 & 25.2)	13,452.72	15,167.69
Total	14,391.25	16,033.05

Notes to Consolidated Financial Statements

NOTE 32 : REVENUE FROM OPERATIONS

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	498,947.01	475,738.24
Erection, commissioning and related services	43,830.29	48,829.24
Other operating revenue (refer note 32.1)	7,156.98	17,989.25
Total	549,934.28	542,556.73

Note 32.1 : Other operating revenue

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Export incentives	1,146.64	2,848.39
Packing receipts	5.66	1.71
Unclaimed balances / liabilities no longer required written back	1,031.41	899.72
Excess provision written back of ECL	233.00	-
Sale of scrap and waste	2,710.37	2,438.60
Foreign exchange fluctuations	1,233.34	4,066.31
Fair value gain on derivatives	430.15	1,672.20
Government grant (revenue)	339.96	6,053.50
Miscellaneous income	26.45	8.82
Total	7,156.98	17,989.25

NOTE 33 : OTHER INCOME

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income :		
On bank deposits	273.16	324.64
On other deposits and investments	235.44	188.45
On financial assets measured at amortised cost	7.88	7.28
Total	516.48	520.37
(b) Dividend income on equity investments		
(c) Net gain on sale of current investments (measured at fair value through profit and loss)	127.34	41.26
(d) Other non operating income :		
Gain on investments carried at fair value through profit or loss	-	4.56
Government grant (revenue)	462.00	4,206.15
Profit on sale of property, plant and equipment	57.94	81.30
Sale of scrap and waste	-	27.89
Miscellaneous income	159.80	295.03
Total	1,323.56	5,176.56

Notes to Consolidated Financial Statements

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw material and component consumed	155,076.38	118,957.63
Stores consumed	4,238.38	3,437.67
Total	159,314.76	122,395.30

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock-in-trade	201,384.55	195,830.86
Provision/(reversal) for foreseeable losses on construction contracts	(1,241.58)	376.82
Total	200,142.97	196,207.68

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK - IN - TRADE & WORK - IN - PROGRESS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock		
Finished goods	40,864.29	42,409.10
Work-in-progress	44,084.62	53,239.55
Total	84,948.91	95,648.65
Closing stock		
Finished goods	45,435.04	40,864.29
Work in progress	59,357.47	44,084.62
Total	104,792.51	84,948.91
Advance settled against Jobs loss	-	-
Translation differences	-	(224.37)
Changes in inventory	(19,843.60)	10,924.11

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & wages	40,216.62	34,807.62
Contribution to provident & other funds	2,329.58	2,834.04
Staff welfare expenses	756.79	762.80
Total	43,302.99	38,404.46

Notes to Consolidated Financial Statements

Note 37.1 : 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:

Particulars	(₹ in lakhs)	
	2021-22	2020-21
Provident fund	260.13	255.33
Employees state insurance	6.24	8.40
Superannuation fund	38.05	47.80
Group Gratuity Fund	160.26	707.82
Labour welfare fund	11.79	11.55
National pension scheme	214.36	209.21
Total	690.83	1,240.11

(b) Defined Benefits Plan :

The liability for Employee Gratuity is determined on actuarial valuation using projected unit credit method.

The obligations are as under:-

Particulars	(₹ in lakhs)	
	Gratuity (Funded)	
	2021-22	2020-21
i. Change in present value of obligation		
a. Present value of obligation at the beginning of the year	8,097.71	8,302.98
b. Interest cost	550.58	565.12
c. Current service cost	629.85	629.57
d. Benefits paid	(871.86)	(1,081.21)
e. Actuarial (gain) / loss	(214.44)	(318.75)
f. Present value of obligation at the end of the year	8,191.84	8,097.71
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	7,990.12	7,978.43
b. Actual return on plan assets	548.02	548.50
c. Contributions	160.26	763.66
d. Mortality, admin and FMC charges	(20.82)	(24.04)
e. Benefits paid	(871.86)	(1,081.21)
f. Actuarial gain / (loss) on plan assets	243.78	(195.22)
g. Fair value of plan assets at the end of the year	8,049.50	7,990.12
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	8,049.50	7,990.12
b. Present value of obligation at the end of the year	8,191.84	8,097.71
c. Amount recognised in the Balance Sheet	(142.34)	(107.59)
- Current liability	337.74	301.45
- Non current liability	23.33	15.89
- Current asset	218.76	209.75

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
iv. Expenses recognised in the statement of Profit & Loss		
a. Current service cost	629.84	629.57
b. Interest cost	438.78	452.10
c. Expected return on plan assets	(431.51)	(435.48)
d. Actuarial (gain) / loss	-	-
e. Expenses recognised in the profit & loss	637.11	646.19
v. Recognised in other comprehensive income for the year		
a. Actuarial gain/(loss) for the year on present benefit obligation	214.44	318.75
b. Actuarial gain/(loss) for the year on assets	243.78	(195.22)
vi. Actuarial assumptions		
a. Discount rate (per annum)	6.92% - 7.26%	6.76% - 6.90%
b. Rate of escalation in salary (per annum)	6.50%	6.50%

(c) Amounts for the current and previous period in respect of Gratuity is as follows:

(₹ in lakhs)

Particulars	Gratuity (Funded)				
	2021-22	2020-21	2019-20	2018-19	2017-18
Defined benefit obligation	8,191.84	8,097.71	8,302.98	7,662.09	7,219.31
Plan assets	8,049.50	7,990.12	7,978.44	7,942.74	7,441.38
Surplus / (deficit)	(142.34)	(107.59)	(324.54)	280.65	222.06

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
a. Within next twelve months	1,070.51	1,028.66
b. Between one to five years	2,216.45	2,266.20
c. Between five to ten years	4,442.04	4,384.75

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	8,049.50	7,679.60
(i) Impact due to increase of 0.50%	(323.78)	(329.33)
(ii) Impact due to decrease of 0.50%	349.90	356.66

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	8,191.84	8,097.69
(i) Impact due to increase of 0.50%	350.58	355.95
(ii) Impact due to decrease of 0.50%	(327.30)	(331.72)

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)	
	2021-22	2020-21
Fund managed by insurer	100%	100%

(g) Other long term employee benefits

Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars	As at March 31, 2022	As at March 31, 2021
	Rate (%)	Rate (%)
a) Discount rate	6.80%-7.18%	6.76%-6.90%
b) Future salary increase*	6.50%	6.50%
c) Retirement age (years)	60	60
d) Ages (withdrawal rate %)		
- Up to 30 Years	3	3
- From 31 to 44 Years	2	2
- Above 44 Years	1	1

* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

(h) Mortality rate (gratuity and leave salary)

	Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
Mortality rate for specimen ages	15	0.000698	45	0.002579	75	0.038221
	20	0.000924	50	0.004436	80	0.061985
	25	0.000931	55	0.007513	85	0.100979
	30	0.000977	60	0.011162	90	0.163507
	35	0.001202	65	0.015932	95	0.259706
	40	0.001680	70	0.024058	100	0.397733

Notes to Consolidated Financial Statements

Defined Benefits Plan : Provident fund

The Company started, from the previous year ended on March 31, 2021, treating the contribution to the recognised provident fund trust for its employees which is operated by the Company, as a defined benefit plan instead of defined contribution plan being followed hitherto. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of ₹ Nil (March 31, 2021: ₹ Nil) as worked out by the actuary has been allocated to the entity based on the corpus value of the entity as at March 31, 2022.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.22%	6.80%
Expected guaranteed interest rate	8.10%	8.50%
Expected short fall in interest earnings on the fund	0.05%	0.05%

The Company has recognised, in the statement of profit and loss, expenses of ₹ 1478.49 lakhs for provident fund during the year ended March 31, 2022 (March 31, 2021: ₹ 1593.93 lakhs).

The Indian Parliament has approved the Code on Social Security, 2020 relating to employee benefits during employment and post employment benefits which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are notified.

Defined benefits plan- Pension plan

One of the subsidiary of Group has an unfunded, noncontributory defined benefit retirement plan, the following table shows reconciliation from the opening balances to the closing balances for the present value of defined benefit obligation and its component:

Actuarial assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	5.10%	4.40%
Future salary increases	4.00%	4.00%

(₹ in lakhs)

Sensitivity analysis of the defined benefit obligation

Particulars	2021-22	2020-21
a) Impact of the change in discount rate		
(i) Impact due to increase of 1%	(72.04)	(57.64)
(ii) Impact due to decrease of 1%	85.81	69.81
b) Impact of the change in salary increase		
(i) Impact due to increase of 1%	85.80	69.70
(ii) Impact due to decrease of 1%	(71.93)	(57.77)

(₹ in lakhs)

Notes to Consolidated Financial Statements

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	2021-22	2020-21
a. Within next twelve months	-	-
b. Between one to five years	-	-
c. Between five to ten years	547.07	444.17

(₹ in lakhs)

Particulars	2021-22	2020-21
Change in Present value of obligation		
a. Present value of obligation at the beginning of the year	63.45	34.93
b. Interest cost	1.91	1.66
c. Current service cost	22.16	19.24
d. Benefits paid	-	-
e. Actuarial (gain) / loss	(5.95)	6.78
f. Translation difference	(3.05)	0.84
g. Present value of obligation at the end of the year	78.52	63.45

NOTE 38 : FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest	5,690.80	4,254.30
Other borrowing costs	628.10	602.27
Interest on lease liability	196.98	167.76
Total	6,515.88	5,024.33

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant & equipment	8,688.13	8,416.01
Amortisation of intangible assets	723.52	952.67
Depreciation/amortisation of right-of-use assets	724.20	717.31
Total	10,135.85	10,085.99

NOTE 40 : OTHER EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power & fuel	4,095.11	3,861.34
Other manufacturing expenses	24,352.39	19,738.35
Rent	720.13	615.09
Repairs to:		
-Plant and machinery	2,037.72	1,519.41
-Building	837.50	828.39
-Others	586.26	237.31

Notes to Consolidated Financial Statements

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Insurance	1,559.77	1,359.17
Rates and taxes	324.86	478.49
Commission to selling agents and others	804.14	794.65
Royalty	1,103.46	1,689.13
Electricity and water expenses	746.66	652.82
Travelling and conveyance	3,686.48	2,888.75
Packing, forwarding & transportation expenses	11,685.32	14,087.28
Design & technical expenses	5,113.23	5,247.95
Advertising and sales promotion	60.73	32.23
Office & maintenance expenses	10,061.51	9,181.09
Legal and professional charges	772.56	1,225.48
Adjustment of expected credit loss	-	707.10
Bank charges	2,267.78	1,402.02
Provision for warranties (net of reversals)	296.47	(111.57)
Net loss / (gain) on foreign currency transactions	744.49	7.09
Loss / (profit) on sale of property, plant and equipment (net)	55.96	23.81
Loss on sales/diminution in value of stores	12.53	8.69
Loss on investments carried at fair value through profit or loss	22.91	-
Non executive director's remuneration / sitting fee	28.14	27.32
Fair value loss on derivatives	430.15	1,672.20
Other Taxes and Interest expenses	-	12.28
Donation	3.76	1.26
Payment to auditor		
- as statutory auditor	100.31	134.65
- for taxation matters	1.25	0.80
- for other services	1.66	1.60
- for reimbursement of expenses	3.94	2.30
Managerial remuneration	497.92	763.00
Corporate social responsibility expenses (refer note 40.1)	595.13	538.85
Total	73,613.35	69,628.33

Note 40.1: Corporate social responsibility

Disclosure related to corporate social responsibility:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
i) Amount required to be spent by the company for the year	595.13	504.78
ii) Amount arising out of previous financial year	101.12	87.27
iii) Amount of expenditure incurred	535.32	490.93
iv) Shortfall at the end of the year	160.93	101.12
v) Total of previous years shortfall	-	-
vi) Reason for shortfall - to be spent on ongoing projects		

Notes to Consolidated Financial Statements

- vii) Nature of CSR activities -
- Covid-19 related expenses - Medical Oxygen Gas Generator Plant, supply of Oxygen Concentrators and Oxygen Gas Cylinders to Hospitals
 - Promoting Education & Ensuring Environmental Sustainability - Providing Solar Power Systems and Rain Water Harvesting Systems to Schools, providing Training and Skill Development to Apprentice
- viii) Details of related party transactions :
- Contribution during the year ending March 31, 2022 - Nil (Previous year Nil)
 - Payable as at March 31, 2022 - Nil (Previous year Nil)
- ix) The company has not incurred any liability by entering into a contractual obligation and accordingly has not made any provision in this regard.

NOTE 40.2 : Government grants recognised in the financial statements

(₹ in lakhs)

Sl. No.	Particulars	Treatment in Accounts	Grants recognised in profit or loss		Grants recoverable	
			Year ended 31 st March 2022	Year ended 31 st March 2021	Year ended 31 st March 2022	Year ended 31 st March 2021
1	Financial assistance by Government of India under the Scheme for providing assistance to sugar mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar during the sugar season 2019-20 and 2020-21. To become eligible to get assistance the sugar mills should have exported sugar upto the extent of their Maximum Admissible Export Quantity(MAEQ) determined by the Central Government. However to become eligible to get assistance a sugar mill would be required to export at least 50% of its MAEQ.	Shown as a income from operations	339.96	6053.50	-	3773.33
Total of Government grant shown as income from operations (refer note 32)			339.96	6053.50	-	3773.33
1	Financial assistance under the Scheme for Creation and Maintenance of Buffer stock of sugar	Shown as a other income	-	305.59	-	419.00
2	Financial assistance @ 13.88 per quintal of cane crushed during season 2018-19 by the Government of India under the "Scheme for Assistance to Sugar Mills".	Shown as a other income	-	2304.72	-	-
3	Financial assistance by Government of India under the scheme for defraying expenditure towards internal transport, freight, handling and other charges on export during the sugar season 2018-19.	Shown as a other income	-	602.39	-	-

Notes to Consolidated Financial Statements

(₹ in lakhs)

Sl. No.	Particulars	Treatment in Accounts	Grants recognised in profit or loss		Grants recoverable	
			Year ended 31 st March 2022	Year ended 31 st March 2021	Year ended 31 st March 2022	Year ended 31 st March 2021
4	The deferred revenue arises as a result of the benefit received under a scheme from Haryana Government on account of "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 Lakhs received free of cost, whereby such grant is treated as deferred income and is recognised over the useful life of the assets for which such grant is received.	Shown as a other income	2.97	2.97	-	-
5	Canada emergency wage subsidy (CEWS) during covid	Shown as a other income	459.03	737.54	-	-
6	Haryana State Government subsidy on cane crushed during the sugar season 2019-20 and 2020-21	Shown as a other income	-	252.94	-	-
Total of Government grant shown as other income (refer note 33)			462.00	4206.15	-	419.00
1	Haryana State Government subsidy on cane crushed during the sugar season 2019-20 and 2020-21 to the extent of cane crushed	Deducted from cane cost (refer note 34)	2544.76	2502.61	868.12	1150.51
2	Interest subvention @ 7% per annum on soft loans under the scheme of Extending soft loan to sugar mills to facilitate payment of cane dues of the farmers for the season 2018-19	Deducted from finance cost (refer note 38)	-	77.45	3.53	260.99
3	Interest subvention @ 6% per annum or 50% of rate of interest charged by banks, which ever is lower on term loans under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production	Deducted from finance cost (refer note 38)	102.26	0.00	102.26	0.00
4		Deducted from capitali-zation of borrowed cost : refer note 4 (ii)	279.83	54.03	333.85	54.03
Total of Government grant deducted from respective expenses			2926.85	2634.09	1307.76	1465.53
Grand Total of Government grants recognised in the Profit & Loss & Grants Recoverable			3728.80	12893.73	1307.76	5657.85

Notes to Consolidated Financial Statements

NOTE 41 : TAX EXPENSE

Income tax expense

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
(i) Current tax		
Current tax on profit for the period	5,078.15	9,843.68
Adjustments for current tax of prior periods	-	-
Tax of earlier years	(18.13)	(0.34)
Total current tax expenses	5,060.02	9,843.34
(ii) Deferred tax expenses	(748.58)	463.53
(iii) MAT credit entitlement	-	-
Total Income tax Expense	4,311.44	10,306.87

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.168% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before income tax	15,809.98	35,581.25
Statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	5,037.50	9,712.74
Additional deduction allowed in Income Tax Act for certain expenditure	(137.44)	1,100.87
Expenditure for which deduction is not allowed under Income Tax Act	(423.09)	(862.33)
Differential tax rate on fair value of investments	4.48	260.14
Differential tax rate on sale of investments	(1.36)	(180.36)
Tax on exempt income	(342.95)	(639.94)
Change in tax rate for future period considered for deferred tax	(1.08)	(12.88)
Other deductions	175.38	928.63
Total	4,311.44	10,306.87

NOTE 42 : EARNINGS PER SHARE

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
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)	10,881.13	24,785.40
Basic earning per share (In ₹)	14.80	33.71
Diluted earning per share (In ₹)	14.80	33.71

Notes to Consolidated Financial Statements

NOTE 43 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
I Contingent liabilities not provided for :		
a) Claims against the company not acknowledged as debts	3,629.50	3,470.94
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	40,542.43	41,243.67
c) Bonds/Bank Guarantees executed in favour of Commissioner of Customs against Project Import at Concessional Rate/ Project Authority Certificate	75.97	75.97

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
II Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	452.03	2,217.30

NOTE 44 : 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, 2022	Year ended March 31, 2021
a) Residential premises	76.41	124.52
b) Commercial premises	628.44	484.35
c) Plant and machinery	15.28	6.22
Total	720.13	615.09

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Building	1,982.47	2,599.05
Land	2,457.17	2,550.42
Furniture, fittings and equipment	-	-
Total	4,439.64	5,149.47

Notes to Consolidated Financial Statements

The break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	400.59	404.00
Non-current	2,413.55	2,864.09
Total	2,814.14	3,268.09

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	3,268.09	3,221.67
Additions	312.63	(0.05)
Finance cost accrued during the period	196.98	214.63
Remeasurement of Lease	(252.50)	280.33
Payment for leases	612.12	495.71
Translation Difference	(98.94)	47.22
Balance at the end of the year	2,814.14	3,268.09

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Less than one year	855.86	553.98
(ii) One to five years	1,644.74	2,034.28
(iii) More than five years	1,287.16	1,848.54
Total	3,787.76	4,436.80

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 720.13 lakhs For FY 2021-22 and ₹ 615.09 lakhs for FY 2020-21

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, 2022	As at March 31, 2021
a) Not later than one year	36.22	20.07
b) Later than one year and not later than five years	127.38	67.14
c) Later than five years	0.03	108.32
Total	163.63	195.53

Notes to Consolidated Financial Statements

NOTE 45 : SEGMENT INFORMATION

Operating Segment

The 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
- d) Ethanol
- e) Ethanol (Plant under construction)

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.

Ethanol consists of manufacture and sale of ethanol and its by-products

Ethanol (Plant under construction) at philippines consists of acquired business of Cavite Biofuels Producers Inc. which is constructing ethanol plant at philippines

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.

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.

Notes to Consolidated Financial Statements

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	Year ended March 31, 2022			Year ended March 31, 2021		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	150,093.53	19,730.53	169,824.06	133,665.88	22,617.35	156,283.23
Engineering, Procurement and Construction	335,508.78	4,610.54	340,119.32	329,137.72	16,633.41	345,771.13
Sugar	60,793.40	6,744.46	67,537.86	78,559.76	-	78,559.76
Ethanol	5,384.12	-	5,384.12	-	-	-
Bio Ethanol (Plant Under Construction at Philippines)	(2,071.26)	-	(2,071.26)	1,081.11	-	1,081.11
Unallocated	225.71	-	225.71	112.26	-	112.26
Elimination	-	(31,085.53)	(31,085.53)	-	(39,250.76)	(39,250.76)
Segment Total	549,934.28	-	549,934.28	542,556.73	-	542,556.73

2. Segment Result (Profit/(Loss) before interest and tax)

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Manufacturing of Machinery & Equipment	11,664.72	16,446.61
Engineering, Procurement and Construction	9,948.55	17,236.69
Sugar	6,894.00	10,259.32
Ethanol	(204.50)	-
Bio Ethanol (Plant Under Construction at Philippines)	(4,089.00)	(870.15)
Unallocated	(2,875.28)	(3,424.12)
Operating Profit Before Interest and Tax	21,338.49	39,648.35
Less: Interest Expense	(5,887.78)	(4,422.06)
Inter Segment Interest	(407.45)	(158.53)
Add: Interest Income	766.72	513.49
Profit Before Tax	15,809.98	35,581.25

Notes to Consolidated Financial Statements

3. Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Manufacturing of Machinery & Equipment	198,535.36	174,529.52	149,763.17	130,182.09
Engineering, Procurement and Construction	325,313.43	331,094.45	258,617.58	265,786.61
Sugar	60,916.13	60,415.07	39,650.57	47,982.12
Ethanol	22,326.38	14,908.45	13,461.01	-
Ethanol (Plant Under Construction) at Philippines	75,587.07	80,552.75	68,119.85	66,893.45
Unallocated Corporate Assets	87,324.51	71,924.63	20,180.69	12,652.33
Total	770,002.88	733,424.87	549,792.87	523,496.60
Less: Inter Segment assets/liabilities	94,018.68	87,394.00	94,018.68	87,394.00
Total Segment Asset/Liability	675,984.20	646,030.87	455,774.19	436,102.60

4. Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Manufacturing of Machinery & Equipment	4,930.28	3,082.21	6,848.24	7,167.29
Engineering, Procurement and Construction	1,414.37	1,719.24	956.47	914.98
Sugar	1,618.09	2,052.86	685.75	652.70
Ethanol	3,829.42	14,908.45	325.01	-
Bio Ethanol (Plant Under Construction at Philippines)	(3,300.23)	3,350.33	453.72	1,108.40
Unallocated	72.98	8.41	233.64	242.62

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, 2022	Year ended March 31, 2021
Revenue from external customers		
- Within India	497,255.14	446,372.38
- Outside India		
Thailand	3,452.04	30,833.59
Uganda	1,974.71	14,913.73
USA	10,065.31	5,658.73
Other countries	37,187.08	44,778.30
Total	549,934.28	542,556.73

Notes to Consolidated Financial Statements

b) Assets are allocated based on the operation and physical location of the assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current assets		
- Within India	87,909.25	84,574.79
- Outside India	79,347.89	83,936.36
Total	167,257.14	168,511.15

NOTE 46 : 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:

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	
	N. A. Cold Storages Private Limited	
	Kamla Puri Charitable Foundation	
Key management personnel	Blue Water Enterprises	
	Mr. Aditya Puri	Managing Director
	Mrs. Nina Puri	Whole-time Director (resigned from the position of whole-time director with effect from March 31, 2021 and continued as non executive director till June 28, 2021)
	Mr. Ranjit Puri	Chairman and non executive director
	Mr. Vinod Kumar Nagpal	Non Executive Director (retired on September 18, 2020)
	Mr. Tahir Hasan	Non Executive Director (retired on September 18, 2020)
	Mr. Arun Kathpalia	Non Executive Director (retired on September 18, 2020)
	Mr. Vinod Kumar Sachdeva	Non Executive Director (retired on September 18, 2020)
	Mr. Sidharth Prasad	Non Executive Independent Director
	Mr. Vishal Kirti Keshav Marwaha	Non Executive Independent Director
	Mrs. Shivani Hazari	Non Executive Director (resigned with effect from March 12, 2022)
	Mr. Arvind Sagar	Non Executive Independent Director (with effect from June 28, 2021)
	Mr. Sudershan Kumar Khorana	Company Secretary
	Mr. Kishore Chatnani	Whole-time Director and Chief Financial Officer (whole-time-director with effect from June 28, 2021)
	Mr. Sanjay Gulati	Whole-time Director and Head - Manufacturing Units (with effect from June 28, 2021)
Ms. Reva Khanna	Non Executive Director of wholly owned subsidiary	

Notes to Consolidated Financial Statements

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

II. Related Party Transactions

		(₹ in lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021	
a) Purchase of goods			
– Entities over which key management personnel can exercise significant influence			
Yamuna Syndicate Limited	239.55	170.32	
– Key management personnel			
Mr. Aditya Puri (Managing Director)	4.69	4.07	
– Relatives of Key management personnel			
Mr. Ranjit Puri (Chairman)	4.31	4.44	
Total	248.55	178.83	
b) Purchase of fixed Assets			
– Entities over which key management personnel can exercise significant influence			
Yamuna Syndicate Limited	6.65	4.90	
Total	6.65	4.90	
c) Rendering of services			
– Subsidiaries			
– Entities over which key management personnel can exercise significant influence			

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Yamuna Syndicate Limited	12.22	12.25
Total	12.22	12.25
d) Services received		
– Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	4.00	3.00
Total	4.00	3.00
e) Rent received		
– Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	3.00	3.00
– Key management personnel		
Mr. Aditya Puri	11.25	-
Total	14.25	3.00
f) Rent Paid		
– Entities over which key management personnel can exercise significant influence		
Blue Water Enterprises	69.98	69.98
– Relatives of Key management personnel		
Mrs. Nina Puri (Wholetime Director)	33.00	33.00
Total	102.98	102.98
g) Dividend Paid		
– Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Ltd.	330.85	661.70
N. A. Cold Storages Private Limited	15.00	30.01
– Key Management Personnel		
Mr. Ranjit Puri	65.92	131.84
Mr. Aditya Puri	45.68	91.36
Mrs. Nina Puri	1.59	3.19
Mr. Sudershan Kumar Khorana	0.19	0.38
Mr. Tahir Hasan	0.18	0.35
Mr. Vinod Kumar Nagpal	0.01	0.01
Mr. Arun Kathpalia	0.01	0.02
Mr. Vinod Kumar Sachdeva	0.03	0.08
Mr. Kishore Chatnani	0.01	0.01
Total	459.47	918.95
h) Key management personnel compensation ^		
Mr. Aditya Puri	500.00	381.50

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Mrs. Nina Puri	-	381.50
Mr. Sudershan Kumar Khorana	70.06	87.60
Mr. Kishore Chatnani *	114.85	76.77
Mr. Sanjay Gulati #	180.24	120.10
Total	865.15	1,047.47

* Remuneration of Mr. Kishore Chatnani is in the position of Chief Financial officer upto 27th June 2021 and as Whole Time Director & Chief Financial Officer w.e.f. 28th June 2021

Salary of Mr. Sanjay Gulati is in the position of Head - manufacturing units upto 27th June 2021 and as Whole Time Director & Head Manufacturing Units w.e.f. 28th June 2021

^ 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.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i. Key management personnel remuneration / sitting fees		
Mr. Ranjit Puri	6.10	4.80
Mrs. Nina Puri	2.06	-
Mr. Sudershan Kumar Khorana	0.40	0.20
Ms. Reva Khanna	0.65	0.10
Mr. Vinod Kumar Nagpal	-	2.41
Mr. Tahir Hasan	-	2.12
Mr. Arun Kathpalia	-	1.42
Mr. Vinod Kumar Sachdeva	-	2.32
Mr. Sidharth Prasad	6.25	4.85
Mr. Vishal Kirti Keshav Marwaha	5.95	4.75
Mrs. Shivani Hazari	3.44	4.35
Mr. Arvind Sagar	3.29	-
Total	28.14	27.32

(₹ in lakhs)

Name of trust	2021-22	2020-21
j. Contribution to trust for post employment benefit		
The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,212.11	1,174.00
Isgec Employees Group Gratuity cum Life Assurance Scheme	92.09	646.70
Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	3.90	51.45
The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	0.10	0.11
Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust	18.94	-
The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	0.12	0.12
Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	78.20	75.00
Saraswati Industrial Syndicate Limited Superannuation Scheme	39.55	51.18

Notes to Consolidated Financial Statements

(₹ in lakhs)

	2021-22	2020-21
k. Amount payable as at year end		
– Entities over which key management personnel can exercise significant influence		
Yamuna Syndicate Limited	10.09	2.11
– Key management personnel		
Mr. Aditya Puri (Managing Director)	363.74	311.10
Mrs. Nina Puri (Wholetime Director)	1.85	312.60
Mr. Ranjit Puri (Chairman)	1.87	0.84
Mr. Sanjay Gulati (Wholetime Director)	9.82	1.23
Mr. Vinod Kumar Nagpal	-	0.11
Mr. Tahir Hasan	-	0.11
Mr. Arun Kathpalia	-	0.11
Mr. Vinod Kumar Sachdeva	-	0.11
MR. Arvind Sagar	0.17	-
Mr. Sidharth Prasad	0.23	0.23
Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
Mrs. Shivani Hazari	0.21	0.23
Total	388.21	629.01

(₹ in lakhs)

	2021-22	2020-21
l. Amount receivable as at year end		
– Entities over which key management personnel can exercise significant influence		
Blue Water Enterprises	19.90	15.90
Total	19.90	15.90

m) 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 47 : 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, 2022	As at March 31, 2021
Debt	120,504.45	94,990.88
Less: Cash & cash equivalent	10,128.00	15,454.60
Less: investments in liquid mutual funds	9,900.22	2,100.08
Net debt	100,476.23	77,436.20
Total equity	212,092.90	202,150.49
Total equity and net debt	312,569.13	279,586.69
Net debt to equity ratio (Gearing Ratio)	32.15%	27.70%

Notes-

- Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23 and 27.
- Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

Notes to Consolidated Financial Statements

(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 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 year.

(c) Dividends

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
(i) Dividends Recognized		
Dividend for the year ended March 31, 2021 ₹ 1/- per equity share of ₹ 1/- each (for the year ended March 31, 2020 Nil per equity share of ₹ 1/- each)	735.30	-
Interim dividend during the year ended March 31, 2022 Nil per equity share of ₹ 1/- each (during the year ended March 31, 2021 ₹ 2/- per equity share of ₹ 1/- each)	-	1,470.59
(ii) Dividend proposed but not recognised in the books of accounts*	-	-
The Board of directors have recommended the payment of a final dividend of ₹ 2/- per equity share of ₹ 1/- each (March 31, 2021 ₹ 1/- per equity share of ₹ 1/- each)	1,470.59	735.30

* The proposed dividend is subject to approval of shareholders in the ensuing general meeting.

NOTE 48 : FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT

Particulars	(₹ in lakhs)					
	As at March 31, 2022			As at March 31, 2021		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset						
Investments						
-Investments in equity instruments	-	-	-	-	-	-
-Investments in debentures or bonds	-	-	-	-	-	-
-Investments in mutual funds	-	9,900.22	-	-	2,100.08	-
-Other investments	-	1,971.34	-	-	2,232.09	-
Trade receivables	233,858.43	-	-	230,358.33	-	-
Loans	1,111.00	-	-	1,127.89	-	-
Cash and cash equivalents	10,128.00	-	-	15,454.60	-	-
Bank balances	3,517.87	-	-	2,479.46	-	-
Foreign currency forward contracts	-	188.12	-	-	303.29	-
Other financial assets	4,578.99	-	-	8,505.39	-	-
Total Financial Assets	253,194.29	12,059.68	-	257,925.67	4,635.46	-

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Liabilities						
Borrowings	120,504.45	-	-	94,990.88	-	-
Trade payables	144,526.03	-	-	162,184.42	-	-
Forward contracts	-	188.12	-	-	308.28	-
Lease liability	2,814.14			3,268.09		
Other financial liabilities	12,468.70	-	-	9,423.14	-	-
Total Financial Liabilities	280,313.32	188.12	-	269,866.53	308.28	-

* FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

(i) Fair Value Hierarchy

This section explains the judgments 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 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, 2021	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	-	-	-	-

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2021	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
- Investments in debentures or bonds	-	-	-	-
- Investments in mutual funds	2,100.08	2,100.08	-	-
- Other investments	2,232.09	-	2,232.09	-
Financial investment at FVOCI	-	-	-	-
Foreign currency forward contracts	303.29	-	303.29	-
Total	4,635.46	2,100.08	2,535.38	-
Financial Liabilities				
Forward contracts	308.28	-	308.28	-
Total	308.28	-	308.28	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2021				
Financial Assets				
Loan to employees	1,098.85	-	-	1,098.85
Security deposit	1,753.01	-	-	1,753.01
Total	2,851.86	-	-	2,851.86
Financial Liabilities				
Borrowings	94,990.88	-	-	94,990.88
Trade payables	162,184.42	-	-	162,184.42
Lease liability	3,268.09	-	-	3,268.09
Other financial liabilities	9,731.42	-	-	9,731.42
Total	270,174.81	-	-	270,174.81

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2022	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	-	-	-	-
- Investments in mutual funds	9,900.22	9,900.22	-	-
- Other investments	1,971.34	-	1,971.34	-

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2022	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial investment at FVOCI	-	-	-	-
Foreign currency forward contracts	188.12	-	188.12	-
Total	12,059.68	9,900.22	2,159.46	-
Financial Liabilities				
Forward contracts	188.12	-	188.12	-
Total	188.12	-	188.12	-
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2022				
Financial Assets				
Loan to employees	1,038.80	-	-	1,038.80
Security deposit	1,979.64	-	-	1,979.64
Total	3,018.44	-	-	3,018.44
Financial Liabilities				
Borrowings	120,504.45	-	-	120,504.45
Trade payables	144,526.03	-	-	144,526.03
Lease liability	2,814.14	-	-	2,814.14
Other financial liabilities	12,656.82	-	-	12,656.82
Total	280,501.44	-	-	280,501.44

(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

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.

Notes to Consolidated Financial Statements

NOTE 49 : 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 exposed 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, 2022 and March 31, 2021

(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	As at
	March 31, 2022	March 31, 2021
Variable rate borrowings	61,752.79	47,165.25
Fixed rate borrowings	58,751.66	47,825.63
Total	120,504.45	94,990.88

(ii) As at the end of reporting period, the Group had the following variable rate borrowings outstanding:

(₹ in lakhs)

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Loans repayable on demand (Cash Credit)	6.13%	61,752.79	51.25%	6.35%	47,165.25	49.65%
Net exposure to cash flow interest rate risk		61,752.79			47,165.25	

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
INR	+50	+50	308.76	235.83
	- 50	- 50	(308.76)	(235.83)

(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, 2022	USD	Euro	JPY	Others	Total
Trade receivables	28,722.74	3,340.80	-	416.14	32,479.68
Bank balances in current accounts and term deposits accounts	256.19	0.89	-	794.56	1,051.64
Trade payables	4,708.01	4,455.06	381.03	1,179.95	10,724.05
Hedged portion	26,670.52	7,607.72	372.76	942.66	35,593.66
Net exposure to foreign currency risk (assets)	7,016.42	189.03	8.27	1,447.99	8,661.71
Foreign currency exposure as at March 31, 2021	USD	Euro	JPY	Others	Total
Trade receivables	47,580.79	2,063.97	-	34.75	49,679.51
Bank balances in current accounts and term deposits accounts	339.61	0.91	-	805.61	1,146.13
Trade payables	3,319.22	1,378.91	425.46	683.49	5,807.08
Hedged portion	46,187.07	3,131.90	387.00	64.67	49,770.64
Net exposure to foreign currency risk (liabilities)	5,052.55	311.89	38.46	1,459.18	6,862.08

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

Particulars	2021-22		2020-21	
	1% increase	1% decrease	1% increase	1% decrease
USD	70.16	(70.16)	50.53	(50.53)
Euro	1.89	(1.89)	3.12	(3.12)
JPY	0.08	(0.08)	0.38	(0.38)
Others	14.48	(14.48)	14.59	(14.59)

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Notes to Consolidated Financial Statements

(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 accordance with the Group policy. The Group's major investments are actively traded in markets and are held for short period of time. Therefore no senility 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 receivable.

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.
- (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, 2021					
Gross Carrying Amount	174,388.48	45,032.05	2,293.76	10,797.52	232,511.81
Expected Credit Loss	-	-	19.73	2,133.75	2,153.48
Carrying Amount (net of impairment)	174,388.48	45,032.05	2,274.03	8,663.77	230,358.33
As at March 31, 2022					
Gross Carrying Amount	186,346.77	33,546.62	3,912.57	12,321.62	236,127.58
Expected Credit Loss	-	137.34	48.52	2,083.29	2,269.15
Carrying Amount (net of impairment)	186,346.77	33,409.28	3,864.05	10,238.33	233,858.43

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.

Notes to Consolidated Financial Statements

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

Particulars	(₹ in lakhs)
	ECL for Trade Receivables
As at April 1, 2020	1,796.62
Provided during the year	365.20
Amounts written off	-
Reversal of provisions	(8.34)
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 2021	2,153.48
Provided during the year	395.53
Amounts written off	-
Reversal of provisions	(279.86)
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 2022	2,269.15

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:

As at March 31, 2022	(₹ in lakhs)				Total
	Carrying Amount	On Demand	Less than 12 months	More than 12 months	
Borrowings	120,504.45	57,669.71	16,313.59	46,521.15	120,504.45
Trade payables	144,526.03	-	144,526.03	-	144,526.03
Lease liability	2,814.14	-	400.59	2,413.55	2,814.14
Other Financial Liabilities	12,656.82	-	9,317.97	3,338.85	12,656.82
Total	280,501.44	57,669.71	170,558.18	52,273.55	280,501.44

As at March 31, 2021	(₹ in lakhs)				Total
	Carrying Amount	On Demand	Less than 12 months	More than 12 months	
Borrowings	94,990.88	41,681.88	6,958.26	46,350.74	94,990.88
Trade payables	162,184.42	-	162,184.42	-	162,184.42
Lease liability	3,268.09	-	404.00	2,864.09	3,268.09
Other Financial Liabilities	9,731.42	-	7,045.30	2,686.12	9,731.42
Total	270,174.81	41,681.88	176,591.98	51,900.95	270,174.81

Notes to 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, 2022	As at March 31, 2021
Bank overdraft and other facilities	53,430.42	72,633.12

NOTE 50 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-

Sr. No.	Particulars	Description					
a)	Products covered for Cost Audit	Ingots and Manufactured items of Engineering Machinery		Sugar		Other Machinery	
b)	Full Particulars of Cost Auditor	M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Raj Nagar, Ghaziabad-201002 (UP)		M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Raj Nagar, Ghaziabad-201002 (UP)		M/s Gopinathan Mohandas & Co. Cost Accountants HIG, G-11A, Sector-23, Raj Nagar, Ghaziabad-201002 (UP)	
c)	Filling of Cost Audit Report	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
	i) Due Date of Filling of Cost Audit Report	27.09.2022	27.09.2021	27.09.2022	27.09.2021	27.09.2022	27.09.2021
	ii) Actual Date of Filling Cost Audit Report	Not Yet Due	28.08.2021	Not Yet Due	25.08.2021	Not Yet Due	04.08.2021

NOTE 51 : INTEREST IN OTHER ENTITIES

A Summarised financial information of subsidiaries having material non-controlling interests is as follows:-

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Private Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec SFW Boilers Private Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Country of Incorporation	India		India		India		India	
Assets								
Non-Current Assets	6,668.80	9,795.08	362.70	332.55	62.79	99.47	210.46	153.96
Current Assets	47,877.59	42,768.38	2,749.57	2,416.92	1,889.24	2,043.58	746.50	630.74
Total	54,546.39	52,563.46	3,112.27	2,749.47	1,952.03	2,143.05	956.96	784.70
Liabilities								
Non-Current Liabilities	1,607.71	2,186.64	156.71	184.49	12.61	1.03	63.39	90.95

Notes to Consolidated Financial Statements

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Private Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec SFW Boilers Private Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Current Liabilities	38,192.96	35,837.40	1,821.87	1,699.91	1,926.23	2,237.87	220.63	129.35
Total	39,800.67	38,024.04	1,978.58	1,884.40	1,938.84	2,238.90	284.02	220.30
Equity	14,745.72	14,539.42	1,133.69	865.07	13.20	(95.85)	672.93	564.40
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	7,225.40	7,124.32	555.51	423.88	6.47	(46.97)	329.74	276.56
Revenue	33,069.72	33,903.73	4,091.45	3,642.46	3,712.35	2,611.25	1,041.01	977.95
Net Profit/ (loss)	405.63	750.81	518.07	448.84	109.05	(290.08)	227.28	155.38
Other Comprehensive Income	0.67	18.43	0.55	-	-	-	1.24	0.57
Total Comprehensive Income	406.30	769.24	518.62	448.84	109.05	(290.08)	228.54	155.95
Profit/(loss) allocated to Non controlling Interests	199.09	376.93	254.12	219.93	53.43	(142.14)	111.98	76.41
Net cash inflow/(outflow) from operating activities	9,438.25	(8,926.69)	(202.63)	2,542.22	117.15	(220.86)	273.56	173.99
Net cash inflow/(outflow) from investing activities	(669.58)	(778.51)	(52.17)	(55.54)	0.57	0.06	(148.43)	(167.96)
Net cash inflow/(outflow) from financing activities	(8,550.97)	7,485.98	(263.62)	(1,715.42)	(119.03)	211.21	(152.40)	(30.67)
Net cash inflow/(outflow)	217.70	(2,219.22)	(518.41)	771.26	(1.31)	(9.59)	(27.28)	(24.64)

B Summarised financial information of associate is as follows:-

(₹ in lakhs)

Particulars	Penwood Project Land Corp.	
	As at March 31, 2022	As at March 31, 2021
Country of Incorporation	Philippines	
Summarised balance sheet		
Assets		
Non-Current Assets	1,645.01	1,733.28
Current Assets	464.52	463.20
Total	2,109.53	2,196.48

Notes to Consolidated Financial Statements

(₹ in lakhs)

Particulars	Penwood Project Land Corp.	
	As at March 31, 2022	As at March 31, 2021
Liabilities		
Non-Current Liabilities	23.00	27.00
Current Liabilities	302.52	295.59
Total	325.52	322.59
Net assets	1,784.01	1,873.89
Group share	40.00%	40%
Reconciliation of carrying amounts		
Opening net assets	1,061.08	1,019.48
Acquisition during the year	-	-
Profit for the year	2.36	18.43
Exchange gain/(loss)	(54.31)	23.17
Carrying amount	1,009.13	1,061.08

Notes to Consolidated Financial Statements

NOTE 52 : Additional information pursuant to General Instructions for the preparation of Consolidated Financial statements as per Schedule III of the Companies Act, 2013

A. For the year ended March 31, 2022

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 comprehensive income	Amount	As % of consolidated Comprehensive Income	Amount
Parent								
Isgec Heavy Engineering Limited	84.08%	178,323.21	103.68%	11,281.91	-156.27%	317.89	108.64%	11,599.80
Subsidiaries								
Indian								
Isgec Covema Limited	0.35%	732.47	2.09%	227.60	0.00%	-	2.13%	227.60
sgec Exports Limited	0.06%	135.00	0.04%	4.76	0.00%	-	0.04%	4.76
Isgec Engineering & Projects Limited	0.19%	410.53	0.03%	3.25	0.00%	-	0.03%	3.25
Saraswati Sugar Mills Limited	14.31%	30,350.85	37.24%	4,051.79	-11.12%	22.63	38.16%	4,074.42
Freelook Software Private Limited	0.37%	791.20	0.25%	27.61	0.00%	-	0.26%	27.61
Isgec Hitachi Zosen Limited	6.95%	14,745.72	3.73%	405.63	-0.33%	0.67	3.81%	406.30
Isgec SFW Boilers Private Limited	0.32%	672.93	2.09%	227.28	-0.61%	1.25	2.14%	228.53
Isgec Redecam Enviro Solutions Private Limited	0.01%	13.20	1.00%	109.05	0.00%	-	1.02%	109.05
Isgec Titan Metal Fabricators Private Limited	0.53%	1,133.69	4.76%	518.07	-0.27%	0.55	4.86%	518.62
Foreign								
Eagle Press & Equipment Co. Limited	-0.61%	(1,285.47)	-9.59%	(1,043.08)	7.55%	(15.35)	-9.91%	(1,058.43)
Isgec Investment PTE Limited	-0.06%	(124.83)	-0.22%	(24.17)	0.00%	-	-0.23%	(24.17)
Bioeq Energy Holdings One	21.45%	45,501.69	-0.05%	(5.83)	0.00%	-	-0.05%	(5.83)
Bioeq Energy Pte Ltd.	0.04%	82.33	-103.46%	(11,258.01)	0.00%	-	-105.43%	(11,258.01)
Bioeq Energy BV	25.05%	53,129.44	-0.12%	(12.74)	0.00%	-	-0.12%	(12.74)
Bioeq Energy Holding Corp.	16.22%	34,397.74	-21.74%	(2,365.27)	261.58%	(532.12)	-27.13%	(2,897.39)
Cavite Biofuels Producers Inc.	8.74%	18,538.39	-37.66%	(4,097.69)	-0.84%	1.71	-38.36%	(4,095.98)
Bukid Verde Inc.	-3.66%	(7,768.34)	-6.88%	(748.98)	-0.28%	0.56	-7.01%	(748.42)
Non controlling interest in all subsidiaries								
Associate								
Foreign								
Penwood Project Land Corporation (PPLC)	0.05%	115.73	0.02%	2.36	0.00%	-	0.02%	2.36
Consolidation adjustments	-70.58%	(149,685.47)	130.46%	14,195.00	0.00%	-	132.95%	14,195.00
Total	100%	212,092.90	100%	10,881.13	100%	(203.42)	100%	10,677.71

Notes to Consolidated Financial Statements

B. For the year ended March 31, 2021

(₹ 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	82.84%	167,458.70	88.05%	21,823.03	14.73%	55.38	86.95%	21,878.41
Subsidiaries								
Indian								
Isgec Covema Limited	0.25%	504.87	1.12%	278.52	0.00%	-	1.11%	278.52
Isgec Exports Limited	0.06%	130.24	0.02%	5.22	0.00%	-	0.02%	5.22
Isgec Engineering & Projects Limited	0.20%	407.29	0.01%	3.23	0.00%	-	0.01%	3.23
Saraswati Sugar Mills Limited	13.53%	27,341.39	26.39%	6,541.47	4.62%	17.36	26.07%	6,558.83
Freelook Software Private Limited	0.38%	763.59	0.19%	47.86	0.00%	-	0.19%	47.86
Isgec Hitachi Zosen Limited	7.19%	14,539.42	3.03%	750.81	4.90%	18.43	3.06%	769.24
Isgec SFW Boilers Private Limited	0.28%	564.40	0.63%	155.38	0.15%	0.57	0.62%	155.95
Isgec Redecam Enviro Solutions Private Limited	-0.05%	(95.85)	-1.17%	(290.08)	0.00%	-	-1.15%	(290.08)
Isgec Titan Metal Fabricators Private Limited	0.43%	865.07	1.81%	448.84	0.00%	-	1.78%	448.84
Foreign								
Eagle Press & Equipment Co. Limited	-0.11%	(227.05)	-2.74%	(679.56)	-0.78%	(2.95)	-2.71%	(682.51)
Isgec Investment PTE Limited	-0.05%	(99.60)	-0.43%	(105.94)	0.00%	-	-0.42%	(105.94)
Bioeq Energy Holdings One	22.60%	45,682.44	-0.02%	(4.75)	0.00%	-	-0.02%	(4.75)
Bioeq Energy Pte Ltd.	5.52%	11,163.03	-0.30%	(73.76)	0.00%	-	-0.29%	(73.76)
Bioeq Energy B.V.	25.84%	52,233.60	-0.01%	(1.82)	0.00%	-	-0.01%	(1.82)
Bioeq Energy Holding Corp.	21.72%	43,910.75	-1.96%	(485.06)	77.72%	292.13	-0.77%	(192.92)
Cavite Biofuels Producers Inc.	11.42%	23,079.03	1.30%	321.34	0.79%	2.99	1.29%	324.33
Bukid Verde Inc.	-3.54%	(7,156.67)	-3.16%	(783.58)	0.34%	1.29	-3.11%	(782.29)
Non controlling interest in all subsidiaries	-3.85%	(7,777.78)	-2.11%	(521.82)	-2.48%	(9.31)	-2.11%	(531.13)
Associate								
Foreign								
Penwood Project Land Corporation (PPLC)	0.06%	121.96	0.07%	18.46	0.00%	-	0.07%	18.46
Consolidation adjustments	-84.72%	(171,258.34)	-10.74%	(2,662.39)	0.00%	-	-10.58%	(2,662.39)
Total	100%	202,150.49	100%	24,785.40	100%	375.89	100%	25,161.29

Notes to Consolidated Financial Statements

NOTE 53: DISCLOSURE UNDER IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of services or goods		
Revenue from Manufacturing of Machinery & Equipment	150,093.53	133,665.88
Revenue from Engineering, Procurement and Construction	335,508.78	329,137.72
Sugar	60,793.40	78,559.76
Ethanol	5,384.12	-
Plant under construction	(2,071.26)	1,081.11
Others	225.71	112.26
Total revenue from sale of services or goods	549,934.28	542,556.73
Revenue from contracts with customers		
Revenue from customers based in India	497,255.14	446,372.38
Revenue from customers based outside India	52,679.14	96,184.35
Total revenue from contracts with customers	549,934.28	542,556.73
Timing of revenue recognition		
Goods and services transferred over time	335,508.78	306,520.37
Goods and services transferred at a point in time	214,425.50	236,036.36
	549,934.28	542,556.73

b. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	233,858.43	230,358.33
Contract Assets	48,797.49	33,549.10
Contract Liabilities	149,519.22	131,545.71

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 2,269.15 lakhs (Previous Year ₹ 2,153.48 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 Consolidated Financial Statements

c. Set out below is the amount of revenue recognised from:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts included in contract liabilities at the beginning of the year	131,545.71	132,682.36
Amount received against contract liability during the year	165,076.86	131,430.87
Performance obligations satisfied during the year	147,103.35	132,567.52
Amounts included in contract liabilities at the end of the year	149,519.22	131,545.71

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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	561,859.15	541,947.86
(b) When the entity expects to recognise as revenue		
Within one year	65.26%	61.78%
Within two years	28.18%	32.17%
Within five years	5.91%	6.05%
Thereafter	0.65%	-

NOTE 54 : OTHER STATUTORY INFORMATION

- (i) The Group does not have any transactions with companies struck off.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) The Group has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes to Consolidated Financial Statements

- (v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vi) There is no Immovable Properties Title deeds of which are not held in name of the Group
- (vii) No fair valuation of investment property has been carried out
- (viii) No revaluation of PPE (Including ROU) & Intangible assets has been carried out
- (ix) Nil Loans & Advances in the nature of loan that are granted to promoters, directors, KMPs and the related parties
- (x) the Group has not defaulted on loan from any bank or financial Institution or other lender
- (xi) Compliance with approved Scheme(s) of Arrangements-Not Applicable
- (xii) The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

NOTE 54.1 : CAPITAL WORK IN PROGRESS (CWIP) AGING SCHEDULE

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 21,2022)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	942.98	97.81	69,110.72	2.14	70,153.65
ii) Projects temporarily suspended	-	-	-	-	-
Total					70,153.65

(₹ in lakhs)

Particulars	Amount in capital work in progress for a period of (as at March 21,2021)				
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
i) Projects in progress	16,154.16	73,133.09	18.41	-	89,305.66
ii) Projects temporarily suspended	-	-	-	-	-
Total					89,305.66

NOTE 55 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Salaries & wages	184.64	157.62
Contribution to Provident & other Funds	9.95	9.26
Others	21.66	23.25
Total	216.25	190.13

Notes to Consolidated Financial Statements

NOTE 56 : IMPACT OF COVID 19 (GLOBAL PANDEMIC)

The Group has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID-19 is not material on long term basis based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products and services. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial results may differ from that estimated as at the date of approval of these consolidated financial results.

NOTE 57 : Contribution to political parties during the year 2021-22 is ₹ Nil (previous year: ₹ Nil)

NOTE 58 : Previous year figures have been regrouped/recasted wherever necessary to make them comparable as per requirements of amended Schedule III

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

Sanjay Kumar
General Manager

Kishore Chatnani
Whole-time Director and
Chief Financial Officer

CA Abhinav Khosla
Partner
M. No.: 087010

For & on behalf of the Board of Directors
S.K. Khorana
Executive Director & Company Secretary
M.No.: 1872

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 28, 2022

Arvind Sagar
Director
DIN: 09210612

Sidharth Prasad
Director
DIN: 00074194





ENGINEERING FOR EXCELLENCE

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