Annual Report
2020-2021

ISGEC
Isgec Heavy
Engineering Ltd.

The ISGEC EDGE

Exceptional Engineering
Diverse Portfolio
Gen-Next Technology
Extensive Experience

Contents

View or download this report at
www.isgec.com

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.

About Isgec Heavy Engineering

Isgec Heavy Engineering Ltd. is a diversified heavy engineering company engaged in manufacturing and project businesses with an extensive global presence cutting across 91 countries. In operation for the past 88 years, we provide state-of-the-art, sustainable engineering solutions to customers around the world.

We manufacture Process Plant Equipment, Presses, Iron & Steel Castings, and Boiler Pressure Parts. We also undertake EPC turnkey projects for setting up Boilers, Power Plants, Sugar Plants, Distilleries, Air Pollution Control Equipment Flue-Gas Desulfurisation, Civil Construction including Factories, Industrial Water Treatment Facilities, and Bulk Material Handling Facilities.

We address the requirements of a wide spectrum of industries including power, defence, fertiliser, sugar, oil & gas, petrochemicals, automobile components, steel, cement, chemicals, railways, space, and ports.

Apart from our sense of commitment and hands-on approach, what keeps us ahead of the game is our ***E***xceptional engineering skills, a portfolio that is truly ***D***iverse cutting across multiple industries and geographies and helping us spread any sectoral or geographical risks, our strategic technology partnerships with leading global firms that help keep us abreast of the latest and most relevant ***G***en-next technologies, and ***E***xtensive experience honed over decades. It is this ***EDGE*** that helps us consistently deliver high quality products and projects that keep our customers happy.

We rank 236 in the ET 500 listing, and 220 in the Fortune India 500 listing.

91 Countries across

6 Continents

Global presence

3,900+

Employees across India, Canada, USA, and the Philippines

900+

Qualified engineers

AA (Negative) and **A1+**

Credit rating by ICRA

KEY HIGHLIGHTS FOR FY 2020-21

₹ **5,47,733** Lakh

Revenue

₹ **50,691** Lakh

EBITDA

₹ **25,307** Lakh

PAT

₹ **2,09,928** Lakh

Net Worth as on FY 2020-21

₹ **6,19,700** 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.

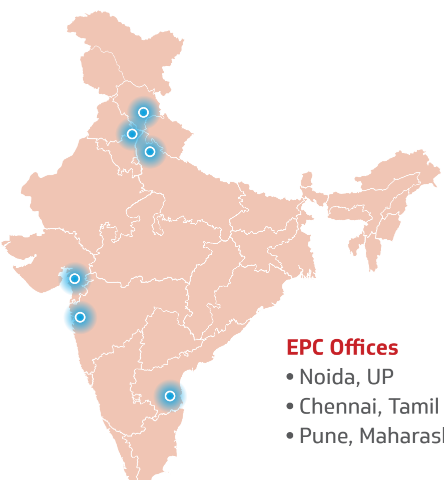
MANUFACTURING

- Process Equipment
- Presses
- Castings – Steel & Iron
- Boiler Tubes & Panels
- Liquified Gas Containers
- Contract Manufacturing

ENGINEERING, PROCUREMENT & CONSTRUCTION

- Industrial Waste Water Treatment Projects
- Industrial & Green Energy Boilers
- Utility Boilers
- Civil Construction including Factories
- Sugar Plants & Distilleries
- Air Pollution Control Equipment & Projects
- Bulk Material Handling Equipment & Projects
- Power Projects

MANUFACTURING LOCATIONS & DESIGN OFFICES



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

Map not to scale. For illustrative purposes only.

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

Rattangarh, 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

Overseas Facility

Eagle Press & Equipment Co. Ltd. Windsor, Canada Presses

Cavite Biofuel Producers Inc. (CBPI), Philippines

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

1973
Amalgamation of Isgec John Thompson Ltd. (IJT) with Isgec

1981
Acquisition of Castings unit by the Company

2007
Company's turnover crossed ₹ 1,000 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

2009
Setting up of a new factory for Standard Presses at Bawal, near Gurugram (Haryana) India
- Company's turnover crossed ₹ 2,000 Crore

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

Subsidiaries and Joint Ventures

ISGEC HEAVY ENGINEERING LTD.

100%

Saraswati Sugar Mills Ltd.
With a cane crushing capacity of ~ 10,000 TCD, having highest sugar recovery in Punjab and Haryana for the past 10 years

Eagle Press & Equipment Co. Ltd.
Press manufacturing company in Windsor (Ontario) Canada

Cavite Biofuel Producers Inc.
(Step down subsidiary of Isgec Investments Pvt. Ltd.)
Bioethanol Plant under construction in Philippines

51%

Isgec Hitachi Zosen Ltd.
JV with Hitachi Zosen Corp., Japan to manufacture specialised & critical Process Equipment

Isgec Titan Metal Fabricators Pvt. Ltd.
JV with Titan Metal Fabricators, USA for manufacture of corrosion-resistant metals & alloys Process Equipment

Isgec SFW Boilers Pvt. Ltd.
JV with Amec Foster Wheeler (now Sumitomo SHI FW Energia, Oy) for engineering their Global Boiler Projects

Isgec Redecam Enviro Solutions Pvt. Ltd.
JV with Redecam, Italy for manufacture, testing, commissioning of Bag Filters

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

Corporate Information

BOARD OF DIRECTORS

Mr. Ranjit Puri
Chairman

Mr. Aditya Puri
Managing Director

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

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

Mr. Sidharth Prasad
Independent Director

Mr. Vishal Kirti Keshav Marwaha
Independent Director

Mrs. Shivani Hazari
Independent Director

Mr. Arvind Sagar
Independent Director

AUDIT COMMITTEE

Mr. Vishal Kirti Keshav Marwaha *(Chairman)*

Mr. Aditya Puri

Mr. Sidharth Prasad

EXECUTIVE DIRECTOR & COMPANY SECRETARY

Mr. Sudershan Kumar Khorana

AUDITORS

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

BANKERS

State Bank of India
Standard Chartered Bank
Corporation Bank
Punjab National Bank
The Hongkong & Shanghai Banking Corporation Ltd.
ICICI Bank Ltd.
Citibank N.A.
Kotak Mahindra Bank Ltd.
HDFC Bank Ltd.
Yes Bank Ltd.
IndusInd Bank Ltd.
Export Import Bank of India
IDFC First Bank Ltd.
Axis Bank Ltd.
DBS Bank Ltd.
Indian Bank

REGISTERED OFFICE

Radaur Road,
Yamunanagar - 135 001
Haryana, India

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

Statutory Reports & Financial Statements

Board's Report

1.00 The Board hereby presents its Report for the year ended 31st March 2021.

2.00 FINANCIAL SUMMARY:

(₹ in lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
I.	**ASSETS:**		
	Fixed Assets	49,124.73	52,626.31
	Other Non-Current Assets	39,909.98	31,898.18
	Current Assets	389,696.74	358,803.45
	Total	**478,731.45**	**443,327.94**
II.	**EQUITY AND LIABILITIES:**		
	Shareholders' Funds	167,458.72	147,050.92
	Non-Current Liabilities	37,419.88	24,891.01
	Current Liabilities	273,852.85	271,386.01
	Total	**478,731.45**	**443,327.94**

	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
III.	Revenue From Operations	430,960.60	489,370.87
	Other Income	3,560.96	1,858.09
	Total Revenue	**434,521.56**	**491,228.96**
IV.	**Total Expenses**	**406,067.86**	**470,482.39**
V.	Profit/(Loss) Before Tax	28,453.70	20,746.57
VI.	Tax Expenses including Deferred Tax	6,630.69	5,437.05
VII.	Profit/(Loss) After Tax	21,823.01	15,309.52
VIII.	Other Comprehensive Income/(Expense)	55.38	27.50
IX.	Balance carried to Profit and Loss Account	21,878.39	15,337.02
X.	Basic/ Diluted Earnings per Share of ₹ 1/- each (in ₹)	29.68	20.82

3.00 DIVIDEND:

3.01 In the month of February 2021, the Company declared an Interim Dividend of ₹ 2/- per equity share of ₹ 1/- each, which has been disbursed. Your Directors are pleased to recommend a Final Dividend of ₹ 1/- per equity share of ₹ 1/- each. Total Dividend (inclusive of the interim and final dividend) will be ₹ 3/- per equity share of ₹ 1/- each for the year ended March 31, 2021. The Final Dividend, if approved and declared in the forthcoming Annual General Meeting, will result in a total outflow of ₹ 735.29 lakh.

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

4.01 As stated in last year's Board Report, the business of the Company was affected due to lockdown from the last week of March 2020 till May 2020.

4.02 After the lockdown was lifted, the overall demand trends were encouraging. Many new orders were booked from sectors such as Railways, Power (Boilers, Air Pollution Control, Waste to Energy), Water, Process Industry, Construction, Fertilizer, Cement, Refinery, Steel, Sugar, Ethanol Plant, Chemicals, Food, Oil & Gas, Renewables, Automotive, Aeronautics, Refractory, Mining, Soda Ash, Paper, and Tool & Die. Order booking during the year was 27% higher than the order booking in the preceding year.

4.03 The Revenue and Profits are ₹ 4,345 crore and ₹ 218 crore respectively, as compared to ₹ 4,912 crore and ₹ 153 crore respectively in the preceding year.

4.04 There is a shortfall in revenue as a result of the lockdowns.

4.05 In spite of a lower turnover, profitability is higher due to savings in various costs, i.e. legal expenses, employee costs, travel expenses, as well as increased efficiency, including the use of technological solutions.

COVID-19:

4.06 In last year's Board Report, details were stated of the adverse effects of the Covid-19 pandemic on the businesses of the Company and measures taken by the Company to minimize the risks. The steps included, employees working from home, strengthening of the IT system, sending communication to customers with reference to force majeure, improvement in activities to save costs, such as value engineering, review of designs, standardization of equipment, and training through webinars.

4.07 Even after lifting of the lockdown, the Company continues to comply with social distancing norms and other health and safety measures in all the factories and offices. In order to ensure social distancing, some of the employees continued to work from home.

4.08 As a safeguard, regular diagnostic tests were conducted across all locations. Vaccination drives for employees and their spouses, as per guidelines of the Government, have also been organized. It was ensured that no employee was denied hospital treatment because of financial constraints.

4.09 In addition, the Company has taken a Life Term Insurance Policy for all the employees. Under the Policy, in case of death of an employee, the nominee is paid 36 months' Basic Salary plus DA.

4.10 During the year under report, the working and operations, which were affected till the second quarter of the year, normalized to a large extent from the third quarter. Factories were running with almost full capacity utilization. Attendance in offices also started getting normal. Site operations progressively became satisfactory and there was no major labour crisis at sites.

4.11 As stated in last year's Board Report, in the wake of the Covid-19 pandemic related disruptions, the Company had imposed a salary cut for all the employees drawing an annual compensation above ₹ 8 lakhs. During the year, salaries were progressively restored.

4.12 With the onslaught of the second wave of Covid-19, since the last few months, working has again been adversely affected. Factories were running normally until the third week of April 2021 and, in spite of there being a few Covid positive cases, there was no shortage of labour. However, there was a shortfall in production because of non-availability of oxygen and argon gas. The availability of oxygen and argon has normalized from 1st June 2021.

4.13 As regards the EPC business, which has offices in Pune, Noida and Chennai, these were closed for 4 to 6 weeks in April and May 2021. During this period all employees started working from home. Productivity was adversely affected due to this and also because many employees and members of their families tested Covid positive.

4.14 All project sites were operational but considering the fear and panic all around, retention of existing manpower of contractors became a challenge. Some difficulties were also experienced in resource mobilization such as tying up with testing agencies and procuring tools and cranes. Supervision of erection and commissioning was also adversely affected due to some of the engineers being Covid positive. The working at project sites is improving with the gradual return of migrant labour.

4.15 The situation both, in the factories as well as in the offices, has also started improving in June 2021. To ensure continued social distancing, the offices in Pune, Noida, and Chennai have started with attendance ranging from 20% to 40% on a rotational basis. The employees not coming to office are working from home.

4.16 Our vendors too faced a lot of difficulty. Lockdowns across many states, scarcity of manpower, as well as shortage of oxygen supply adversely impacted their working. However, normalcy is returning now.

4.17 All travel has been suspended, barring in exceptional circumstances.

4.18 We continue to closely monitor the economic developments and repercussions related to Covid-19 and their implications on the Company. Though the future impact of the pandemic on our business cannot be reliably predicted at this time, we are hopeful that learnings from our experience of last year will be very useful and we will be able to tide over the situation. Billing and revenue will, however, be adversely affected in the quarter ending 30th June 2021.

4.19 As for the current year, order booking continues to be satisfactory, both in the Engineering, Procurement, and Construction (EPC) Segment as well as the Manufacturing Segment. As stated above, working during the first quarter ending 30th June 2021, has been affected due to the second wave of Covid. With the improvement in the situation, things may balance out in subsequent quarters.

4.20 Apart from Covid-19, margins continue to be adversely affected due to steep increase in commodity (steel, copper, aluminum, and nickel) prices. About 45% of our orders in hand (PSU customers) have a steel price variation clause and the price increase can be passed on to these customers. For the rest of the orders, contingency margin kept on cost may not be enough to cover the increase. Steps are being taken to analyze and minimize the effect.

4.21 TECHNOLOGY:

(i) We have added to our repertoire of Air Pollution Control Technologies by signing a Licensing Agreement with BHIFW, USA for TLN Technology which would enable the implementation of Combustion System Modifications in Tangential Fired Utility Boilers firing coal in Thermal Power Plants to reduce NOx emission as per Environment Regulations in India. Our executives have undergone training with BHIFW to understand and implement the technology.

(ii) Our own technologists and engineers continue to make several innovations.

(iii) We have developed innovative know-how for SO2 emission reduction from Captive Power Plants in Steel Mills using Coal Fired Utility Boiler through parallel operation of a Blast Furnace Gas Fired Boiler with Coal Fired Boiler to feed steam to a single turbine for Power Generation.

(iv) We received a Patent for a Self-Sharpening Shredder Hammer Tip, as well as a Design Registration for Leak Proof Economical Valve with Taper Wedge Safety Lock for our Sugar Plants & Machinery business.

(v) We have developed and commissioned a Pan Station for White Plantation Sugar Plant where all Pans are of Vertical Continuous type and have an in-built Graining Pan. This positively impacts the efficiency of the plant. We have also developed a number of equipment for Sugar Plants through in-house design, which include Horizontal Continuous Pan, Fibrizer, Sand Catcher, and Induction Hardened Crown Pinions. All these help in improving the working of the mills, reducing energy consumption, and improving sugar quality.

(vi) We have acquired technology for manufacturing 250 & 500 Litres per Minute (LPM) Medical Oxygen Plants (original technology from DRDO).

(vii) The company has also invested in new software in order to improve efficiency of products, and to enable remote working.

EXPORTS:

4.22 The export revenue during the year was lower at ₹ 645 crore against ₹ 1,170 crore in the preceding year. This was because some of the projects for which orders were received did not become effective as the clients and their lenders were forced to revisit or delay the project due to Covid-19.

4.23 Export order booking was also lower as there was no international travel by our export team or by our prospective clients to India, for the entire financial year. Also, scheduled exhibitions were either postponed or suspended.

4.24 In spite of these limitations, focus on export marketing continued during the year through the use of electronic media and online marketing. Videos and emails were sent to prospective customers and virtual meetings and webinars were held.

4.25 The enquiry position as on date is good. Foreign economies are beginning to open up and export orders have started trickling in.

BUSINESS DEVELOPMENT:

4.26 Our efforts to make in-roads into the Defence sector continued and the Company got approved by the Goa Shipyard Ltd. for a major equipment required by the Indian Navy i.e. Ship Damage Control Simulator. Only two companies in India are qualified for this equipment.

4.27 During the year we made headway with one of the major multinational defence equipment manufacturers and have received an enquiry from them pertaining to a naval equipment. More enquiries are expected pertaining to artillery from the same manufacturer.

4.28 Major disruptions are expected on the Energy Sector front. Significant ones being, reduction in crude import bill, increased dependence on domestically produced Methanol for various downstream chemicals, and focus on net zero mission of the developed world. Considering these trends, we have identified futuristic areas related to renewables, green energy, and petrochemicals & chemicals for diversification, and shortlisted some new products for discussions with technology licensors.

ENGINEERING, PROCUREMENT, AND CONSTRUCTION (EPC) SEGMENT:

4.29 EPC Segment covers the setting up of Projects for Boilers, Air Pollution Control Equipment including Flue Gas Desulfurization (FGD) Systems, Sugar Plants & Machinery, Distilleries for Ethanol, Power Plants, Construction of Factories, Material Handling Systems, Industrial Wastewater Treatment & Recycling, and Civil Infrastructure.

4.30 Both turnover and profit were only marginally less as compared to the preceding year. However, profitability improved as a result of various steps taken to reduce costs and improve productivity.

4.31 During the year, after an initial setback due to Covid-19, the Company bagged good orders from Cement, Refinery, Steel, Distillery, Chemicals, Sugar, Food, Oil & Gas, Railways, Air Pollution Control, Power, and Renewable Energy sectors.

4.32 We also ventured into a new field of providing remotely managed e-Services for Plant Operation, Maintenance, Troubleshooting, and Commissioning.

4.33 We successfully executed a project involving Combustion Modification on a 150 MW Tangentially Fired Boiler unit at an Aluminum Plant to reduce Nitrogen Oxide emissions from the Boiler.

4.34 We successfully commissioned a stand-alone Sugar Refinery of 2,500 Tonnes per Day (TPD) for a company in the Kingdom of Saudi Arabia. This is one of the largest stand-alone sugar refineries in the world.

4.35 We also set up 2 x 600 TPD Sugar Refinery projects in Uttar Pradesh.

4.36 Another project completed was a 3500 TCD (Tonnes of Cane per Day) Refined Sugar Plant with 18 MW Co-generation project in Haryana.

4.37 The subvention scheme for interest on loans for Distilleries, to make Ethanol, has resulted in there being a number of enquiries in hand that we are hopeful of converting into orders.

4.38 As a result of an infra push by the Government, the Construction business continued to do well. We successfully constructed a Workshop for periodic overhauling of Rail Wagons at Bikaner.

4.39 We set up a 20 MW Coke Oven Waste Heat based Power Plant at Koppal, Karnataka.

4.40 A Coal & Limestone Handling Package for a 70 MW Co-generation Power Plant was set up at Bhavnagar, Gujarat.

4.41 SIGNIFICANT NEW ORDERS RECEIVED (EPC Segment):

(i) Having booked some orders recently, we have reached the landmark of booking orders for a 100 CFBC Boilers.

(ii) Order for the largest Cement Waste Heat Recovery Boiler.

(iii) Large value order for Operation and Maintenance from a reputed industrial house for their Boiler.

(iv) Three more orders for Wet Flue Gas Desulfurization (WFGD) System projects.

(v) An order from a Power Plant for Renovation & Modernization (R&M) of 8 Electrostatic Precipitators of larger size Boilers. The purpose of this R&M is to reduce particulate matter emissions in ESPs to meet current emission norms as per the Environmental Policy.

(vi) An order for a Turnkey Sugar Plant of 10000 TCD in Karnataka, one of the largest greenfield plants in the sugar industry in India.

(vii) An order for a 3500 TCD Sugar Plant to be set up on a turnkey basis in Maharashtra.

(viii) Our first order for a Raw Water Treatment project from NTPC namely - Ganga Water Treatment for Barauni Thermal Power Plant.

(ix) Our first Process Plant order on EPC basis for a 200 TPD Formaldehyde Plant from Assam Petrochemicals.

(x) Orders for a 600 TPD Municipal Waste-based Power Plant, and Metro Repair and Maintenance Facilities for Kolkata Metro and Bengaluru Metro.

MANUFACTURING - MACHINERY & EQUIPMENT SEGMENT:

4.42 The Segment covers the manufacture of Presses, Process Equipment, Liquified Gas Containers, Tubing & Piping, Iron & Steel Castings, and Industrial Machinery.

4.43 The revenue of the segment was marginally lower, but profit was substantially higher than the preceding year due to various measures mentioned in 4.05 above.

4.44 During the year, after the initial setback due to Covid-19, the company bagged good orders from Power, Refinery, Hydro and Steam Power, Steel, Cement, Aeronautics, Refractory, Soda Ash, and Tool & Die sectors.

4.45 With the impact of Covid-19 being felt all over the world, there was a significant decline in automobile sales. Consequently, demand from the Automotive sector, the major users for Mechanical Presses, remained depressed and adversely affected our order booking. Fortunately, our focus on Hydraulic Presses enabled us to book orders for Hydraulic Presses from the Non-Automotive sectors. This mitigated the loss of orders from the Automotive sector to some extent.

4.46 As for exports of Presses, our South East Asia office remained inoperative until December 2020, and in most of the European countries there was extended lockdown resulting in low demand.

4.47 Lockdowns restricted visits that were necessary for generating enquiries and for post-offer discussions. We lost important orders from Europe and North America due to these limitations.

4.48 As for the current year, uncertainty continues in the domestic market due to the second wave of Covid-19. Although we foresee some signs of improvement in the Automotive market, it will take some more time to revive. We will continue to focus on marketing high productivity and high technology products like Servo Presses, Transfer Presses, and Progressive Die Presses.

4.49 We hope to retain our market share in specialized Hydraulic Presses such as Die Spotting Presses, Cold Forging Presses, Refractory Presses, and Specialized Presses for the Defence and Railway sectors.

4.50 In the Process Equipment business, majority of the projects in the Oil Refinery and Petrochemicals sectors were either shelved or deferred, adversely affecting order booking. However, a good backlog of orders from the previous year has kept our shops very busy. The situation has improved and recently we have booked three high value orders for Shell & Tube Heat Exchangers. The market for Process Equipment is likely to remain buoyant during the year.

4.51 We also continue to pursue opportunities in Repair & Maintenance of Critical Equipment in Process Plants.

4.52 For our Liquified Gas Containers business, it was a very good year. But recently there has been a slowdown in the last few months as a result of the lockdown. The sharp dip in demand for Caustic Soda from the Alumina and Textile industries, due to the extended lockdown, has directly affected our order booking.

4.53 This was a good year for Tubing and Piping products.

4.54 The Tubing and Piping Shops have received a Certification for EN Code (European Code) for Boilers, as well as an approval to manufacture Pressure Parts as per ISO-12952 and ISO-3834. Also, the special capability for Inconel Weld Overlay process developed by us has enabled us to bid for prestigious orders for Waste-to-Energy Boiler fabrication from the developed world. The current year has started with a record order book requiring us to make some small investments to marginally increase our manufacturing capacity.

4.55 In spite of deferment of Greenfield Soda Ash projects due to Covid-19, the Iron Castings business was able to maintain its turnover and profit, as per last year's levels.

4.56 Majority of Original Equipment Manufacturers (OEMs) in the Tool & Die sector have started their Tool Room (manufacturing facility) in India. In view of high demand envisaged for Castings from this sector, we are expanding our Foundry facility, which will increase output by 50%. The new facility is expected to be operational from January 2022.

4.57 We expect good business, both from the domestic as well as the export markets.

4.58 The working of Steel Castings business during the year improved, but we are working towards increasing its efficiency even further.

4.59 The market for Steel Castings continued to remain depressed during the year. We did win a few orders under acute competition, but margins were hit.

4.60 Lately, the market for Steel Castings has improved and the Unit has booked good orders. However, this foundry has been impacted to a great extent due to non-availability of oxygen. The situation has, however, improved as oxygen is available since 1st June 2021.

4.61 SIGNIFICANT NEW ORDERS RECEIVED (Manufacturing Segment):

(i) Important orders for the Presses business from the manufacturers of Railway Equipment and Refractories, in the Non-Automotive sector.

(ii) Order for a Hydraulic Press for Aerospace application.

(iii) Another order for a Mechanical Press from an existing customer in Spain.

(iv) Breakthrough order for High Wall Mining Parts from the Mining sector for our Contract Manufacturing business.

(v) Export orders for Process Equipment - Surface Condenser and Deaerator for the Power sector, and Heat Exchanger for the Refinery sector. Few large value orders were also received from domestic Refinery projects.

(vi) First order for the fabrication of Cooling Stack for a Steel Plant for Tubing & Piping business.

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

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

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

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

The financial results for the year under report were very good. The profit before tax was ₹ 87.95 crores against ₹ 33.36 crores in the preceding year.

Sugar Scenario:

(1) There was a steep reduction in the all India closing stock of sugar at the end of last season on 30th September 2020. Closing stock as on 30th September 2021 is likely to reduce further in spite of higher all India sugar production in the current season. Comparative figures 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
2018-19	107.16	331.62	438.78	255.00	38.00	293.00	145.78
2019-20	145.79	274.11	419.90	253.00	59.00	312.00	107.90
2020-21*	107.40	302.00	409.40	260.00	60.00	320.00	89.40

*As per estimate of Indian Sugar Mills Association.

(2) The reduction in closing stock, in spite of static domestic consumption, has been due to the following steps taken by the Central Government for the last few seasons: -

(i) Continuing the Scheme of Maximum Admissible Export Quota (MAEQ) which provides subsidy to cover loss on export of sugar. This enabled the export of 60 lakh tonnes in the preceding season. Same quantity is likely to be exported in the current season.

(ii) Incentivizing more ethanol production by diverting B-heavy molasses and sugarcane juice from production of sugar to ethanol. While approximately 10 lakh tonnes of sugar was diverted during the season 2019-20 in favour of ethanol production, 20 lakh tonnes of sugar is expected to be diverted during the current season 2020-21.

(3) The Central Government continued with the policy of Monthly Release Mechanism under which each Mill is not allowed to sell more than the released quantity for that month.

(4) The Central Government also continued with the policy of Minimum Sale Price (MSP), below which sugar mills are not allowed to sell. MSP applicable during the year under report was ₹ 3100/- per quintal and no increase was made despite repeated representations by the Industry and also recommendations by the Commission for Agricultural Costs and Prices (CACP) and Niti Aayog.

(5) Demand for sugar due to lockdown in the months of April and May 2020 was low and the off take was less. It increased to some extent after the lockdown restrictions were eased. Demand of sugar was also affected due to higher consumption of Gur as there is public perception that its consumption is better to control Covid-19 related complications. Sugar prices, therefore, continued at last year's level.

(6) Due to resurgence of Covid-19, the demand has decreased since last month and sugar prices are under pressure.

Factory Working:

(7) The working of the factory during the season 2020-21 was very good. Stoppages were minimum.

(8) The recovery during the season, however, was lower at 11.49% against 11.79% in the preceding season due to climatic reasons.

(9) In spite of about 7-8% reduction in the yield of sugarcane, we were able to crush 16.16 lakh MT of cane against 16.40 lakh MT in the preceding season.

(10) In spite of the resurgence of Covid-19 from March 2021, operations of the factory were smooth.

(11) The Central Government increased the Fair & Remunerative Price (FRP) of sugarcane by ₹ 10/- per quintal to ₹ 285/- per quintal linked to a recovery of 10%. FRP applicable to each factory is to be increased by ₹ 2.85 per quintal for every 0.1% increase in the recovery over 10%. FRP applicable to our factory was ₹ 336/- per quintal.

(12) The Haryana Government also increased the State Advised Price (SAP) by ₹ 10/- per quintal from ₹ 340/- per quintal to ₹ 350/- per quintal, which is the highest in the country. The Haryana Government continued to give a subsidy to compensate for the difference between SAP & FRP. The amount of subsidy received by us was, however, less due to higher FRP.

(13) The statistical position is given below: -

Particulars	Sugar Season (October to September)	
Saraswati Sugar Mills (SSM)	**2020-21**	**2019-20**
Date of Start of crushing operations by SSM	24-11-2020	26.11.2019
Date of Close of crushing operations by SSM	10-05-2021	16.05.2020
Cane Crushed by SSM (Lakh Tonnes)	16.16	16.40
Recovery (%)	11.49%	11.79%
Sugar Production of SSM (Lakh Tonnes)	1.86	1.93

All India	Sugar Season (October to September)	
Production of Sugar (Lakh Tonnes)	302*	274.11
Consumption of Sugar (Lakh Tonnes)	260*	253.00

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

(14) Under MAEQ your Company was allotted a quantity of 3,68,660 quintal of sugar for export. The entire quantity has been contracted and 3,64,000 quintals have already been dispatched.

100 KLPD Ethanol Plant:

(15) As already mentioned in last year's report, we had started work on setting up an Ethanol Plant of 100 KLPD in the last season. 90% of the work has been completed. It was expected to start commercial production by June 2021 but may get delayed due to the resurgence of Covid-19.

(16) With the start of the Ethanol Plant, there will be increased requirement of working capital and the Company shall be taking necessary steps to enhance the Cash Credit limits.

Credit Rating for enhanced Working Capital facilities and Term Loan:

(17) The Company had got its Working Capital loan facilities from Banks enhanced. Credit rating Agency ICRA has reaffirmed the Credit rating of "A-" for our fund based working capital facilities and Term loan facilities and "A1" for Non-fund based credit facilities.

Next Season:

(18) Due to expected increase in cane planting, we expect to crush more cane during next year.

(19) Though the all India closing stock of sugar at the end of the season 2020-21, is lower than the closing stock at the end of the preceding season, but still it will be equal to four months' domestic consumption. Unless the Central Government continues with the policy of MAEQ with adequate subsidy, the sugar prices are not likely to increase.

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

(1) As reported in last year's Board Report, due to the nation-wide lockdown initiated in the last week of March 2020, some of the equipment which were ready or in the final stages, could not be dispatched. These were dispatched during the year under

report. Accordingly, the total revenue during the year under report was ₹ 339.03 crores as compared to ₹ 288.92 crores in the preceding year.

(2) Profit before tax was ₹ 9.66 crores as compared to ₹ 11.15 crores in the preceding year. It would have been higher, but the Company had to incur about ₹ 3 crores (approx. USD 400,000) on account of detention of ship arranged by Samsung for transportation of Columns from Mumbai to Thailand. The reason for the detention was the inability to get the barge to sail out from the jetty at Dahej due to lack of sufficient water between the jetty and the channel at high tide. The next tide was after 13 days. Thereafter, as a corrective measure, we carried out dredging between the jetty and the channel to increase the depth.

(3) Important supplies made during the year were: -

a) Six Vanadium Reactors to Exxon Mobil for their plant in Belgium, which was our first ever overseas dispatch of a Hydro Processing Reactor.

b) Four large Columns including a Crude Column, a Vacuum Column, and a Product Fractionator supplied to PSS, Netherlands (a consortium of Petrofac-UAE, Saipem-Italy, and Samsung-Korea) for the Thai Oil Refinery project. This was the biggest value single contract executed by us for export & the largest Columns manufactured by us so far.

c) Vanadium Reactor for the DHDT Unit of the Rajasthan Refinery project, India.

(4) During the year, we continued with the business of undertaking on-site repairs of equipment in Fertilizer and Petrochemical plants during their shutdowns.

(5) In our attempt to extend our presence in the petrochemical sector, we were successful in obtaining an approval from INEOS (erstwhile BP) for the manufacture of PTA plant equipment. Attempts to qualify for more complicated equipment are in progress.

(6) We booked our first order for supply of a complete Steam Surface Condenser for a Super Critical Power Plant in Bangladesh.

(7) The order booking during the year under report has not been good due to deferment of several projects. Subject to uncertainties posed by Covid, we expect good order booking during the current year, as most of the projects deferred are expected to become active.

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

(1) The Company continues to do well. The total income and the profits were higher as compared with the preceding year. Total income was ₹ 36.42 crores as against ₹ 25.60 crores last year and profits before tax was ₹ 5.99 crores against ₹ 2.47 crores last year.

(2) Major business potential for our Company is from chemical plants, mainly among them being Agro chemicals, Pharmaceuticals including API (Active Pharmaceutical Ingredients), as well as essential commodities such as, common salt. These plants did not suffer major slowdown post lockdown period and, therefore, the impact on our order booking was minimal during the year.

(3) The orders under execution, however, were affected due to delay in the raw material supply. Most of the projects were delivered on time except one project, where LD is payable.

(4) Orders booked included orders for the first time for a large Titanium Clad Column, Tantalum Bayonet Exchanger and Niobium Exchangers. Other major orders booked for export were for Hastelloy Exchanger and domestic order for Critical Monel Reactor.

(5) Barring the uncertainties posed by Covid-19, the Company is likely to do well next year due to a record order backlog and major projects in Soda Ash / Chlorine Derivatives/Acid Plant Sectors.

(D) ISGEC SFW BOILERS PRIVATE LIMITED (FORMERLY KNOW AS ISGEC FOSTER WHEELER BOILERS PRIVATE LIMITED) (SUBSIDIARY AND JOINT VENTURE COMPANY):

(1) The Company is a design company to manage detailed engineering of Boilers globally contracted by Sumitomo SHI FW (SFW), Finland. The total income and profit was higher during the year at ₹ 9.83 crores and ₹ 2.07 crores respectively as compared with ₹ 6.49 crores and ₹ 0.37 crores respectively in the previous year.

(2) Due to delay in materialization of a few anticipated projects, the Company decided to defer its hiring plan, but instead developed its subcontractors to perform engineering for Piping, Steel, and Electrical & Instrumentation to meet the project schedule for confirmed orders. The Company effectively trained and supervised the work output of these subcontractors.

(3) Further, the Company utilised the design capability gained during the previous years enabling it to perform more complex engineering work than it had done previously.

(4) Due to various measures taken by the Company to utilise in-house capacity and capability, the capacity utilisation was higher in the year under report as compared with last year.

(5) As for the next year, the order book for the Company looks promising as it is assured of two new projects, in addition to the backlog projects, and a couple of more projects are likely to materialize.

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

(1) The Company has been able to establish itself in the market by offering Bag Filters for Boiler applications, Cement plants, DE (Dust Emission) Systems for Steel Plants, and Dry Scrubbing Systems for Sulphur Oxides (SOx) removal.

(2) Due to the Covid -19 situation Dry Scrubbing projects (NSPCIL and Detox) were put on hold and there was delay in finalization of new orders. The turnover, as well as order booking, during the year under report, were inadequate. The total income was ₹ 26.25 crores against ₹ 40.45 crores last year.

Consequently, there was a loss of ₹ 3.87 crores during the year against profit of ₹ 0.46 crores last year.

(3) Having faced many teething problems in the Bag Filters supplied, there have been learnings which are being applied in future projects.

(4) In addition to normal Bag filters, it has been decided in consultation with Redecam, Italy, JV partner of the company, to participate in projects requiring solutions such as Dry Scrubbing Systems / Flue Gas Cleaning Systems for removal of SOx and other heavy chemicals. These are likely to have more demand, specifically in MSW (Municipal Solid Waste) based plants and Process Industries due to major impetus on reducing the load on landfills and also to meet stringent SOx emission norms.

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

(1) Operations in Eagle Press continued to be affected due to slowdown in Canada and USA due to Covid-19, during the year under report. The revenue was, therefore, less. The subsidiary company had a loss during the year.

(2) The loss was mainly on account of an expense to settle an outstanding arbitration on account of performance issue of the Presses supplied by Eagle before it was taken over by Isgec.

(3) In order to utilize the manufacturing resources, it was decided to build a Press in stock, to be sold against future orders.

(4) Situation has now improved. The Company, with the opening of the economy in USA, has been able to book a large number of orders and FY 22 is likely to be good.

(G) OTHER WHOLLY OWNED SUBSIDIARY COMPANIES:

(i) Free Look Software Private Limited and Isgec Export 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 had orders for supply of Boiler parts and for Erection and Commissioning of Boilers. These orders were majorly executed in FY 21. Balance will be executed in FY 22.

6.00 AMOUNTS TRANSFERRED TO RESERVES, IF ANY:

6.01 No amount was transferred to the Reserves during the year ended 31st March 2021.

7.00 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

7.01 Four Board Meetings were held during the year ended 31st March, 2021.

8.00 DIRECTORS' RESPONSIBILITY STATEMENT:

8.01 Your Directors hereby confirm that:

(a) In the preparation of the Annual Accounts for the Financial Year 2020-21 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.

9.00 INDEPENDENT DIRECTORS:

9.01 All the Independent Directors have furnished declarations that each of them meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Rule 6 (1) and (2) of the Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2019.

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

10.01 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 http://www.isgec.com/pdf/NRC-policy.pdf

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

11.01 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.

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

12.00 PARTICULARS OF LOANS / GUARANTEES / INVESTMENTS:

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

13.00 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

13.01 The Company has formulated a Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party Transactions has been disclosed on the website of the company at http://www.isgec.com/pdf/PolicyonMaterialityofRelatedPartyTransactionsandonDealingwithRelatedPartyTransactions1822020.pdf

13.02 All Contracts, Arrangements and Transactions entered by the Company during the financial year with Related Parties were in its ordinary course of business and were on arm's length basis.

13.03 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-3.

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

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

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

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

16.00 RISK MANAGEMENT POLICY:

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

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

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

17.00 CORPORATE SOCIAL RESPONSIBILITY:

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

- For the period from April 01, 2020 till the conclusion of the 87th AGM of the Company held on September 18, 2020:

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

- For the period from the conclusion of the 87th AGM of the Company held on September 18, 2020 till March 31, 2021:

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

17.02 In addition to the amount of ₹ 16.15 lakhs pertaining to the previous year, the Company was required to spend a further amount of ₹ 391.39 lakhs for the year ended 31st March 2021 i.e. an aggregate amount of ₹ 407.54 lakhs.

17.03 The Company has allocated an amount of ₹ 225 lakhs to be spent on Multi-year Ongoing Projects for installing Water Harvesting Systems and Solar Power Systems in the local areas, including rural areas around Yamunanagar for ensuring environmental sustainability and conservation of natural resources and maintaining the quality of soil, air and water. The Company has spent ₹ 123.88 lakh on ongoing projects in the current financial year and the balance amount of ₹ 101.12 lakhs transferred to Unspent CSR Account.

17.04 The Company has spent further ₹ 182.54 lakhs on Social Projects other than ongoing projects including ₹ 19.56 lakhs on administrative overheads during the financial year.

17.05 The annual report on Corporate Social Responsibility is given in the prescribed format annexed as Annexure-5.

17.06 In view of the oxygen scarcity being faced by hospitals in their fight against Covid, it was decided to prioritise the utilization of our CSR resources to help mitigate the situation. It was, therefore, decided to provide Oxygen Plants to the ESI Hospital at Yamunanagar, as well as to the District Hospital at Muzaffarnagar, along with Oxygen Cylinders and Oxygen Concentrators. This has strengthened the local health infrastructure and will help fight the current and any future wave of the pandemic.

18.00 ANNUAL EVALUATION BY THE BOARD:

18.01 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.

18.02 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.

18.03 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.

19.00 ANNUAL RETURN:

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

20.00 DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL:

20.01 Mr. Vinod K. Nagpal (DIN: 00147777), Mr. Tahir Hasan (DIN: 00074282), Mr. Arun Kathpalia (DIN: 00177320), and Mr. Vinod Kumar Sachdeva (DIN: 00454458), are Independent Directors who retired from the Board of the Company, on completion of tenure of their appointment with effect from the conclusion of the 87th Annual General Meeting of the Company held on September 18, 2020.

20.02 The Board placed on record its appreciation for the services rendered by them as Independent Directors during the tenure of their appointment.

20.02 Mr. Sidharth Prasad (DIN: 00074194), Independent Director, was reappointed by the Shareholders for a second term of 5 (Five) years with effect from October 31, 2020 up to October 31, 2025.

20.03 Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204), Independent Director, was reappointed by the Shareholders for a second term of 5 (Five) years with effect from the conclusion of 87th AGM up to the conclusion of 92nd AGM to be held in the year 2025.

20.04 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.

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

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

22.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

22.01 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.

23.00 DEPOSITS:

23.01 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.

24.00 INTERNAL FINANCIAL CONTROLS:

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

25.00 COMPOSITION OF AUDIT COMMITTEE:

25.01 The composition of Audit Committee is as below:-

- For the period from April 01, 2020 till the conclusion of the 87th AGM of the Company held on September 18, 2020:

S. No.	Name of the Committee Member		Position
1.	Mr. Vinod K. Nagpal	(DIN: 00147777)	Chairman
2.	Mr. Arun Kathpalia	(DIN: 00177320)	Member
3.	Mr. Aditya Puri	(DIN: 00052534)	Member
4.	Mr. Sidharth Prasad	(DIN:00074194)	Member

- For the period from the conclusion of the 87th AGM of the Company held on September 18, 2020 till March 31, 2021:

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

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

26.00 REPORT ON CORPORATE GOVERNANCE:

26.01 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.

27.00 CONSOLIDATED FINANCIAL STATEMENTS:

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

27.02 Further, as required under Rule 5 of the Companies (Accounts) Rules 2014, a statement in Form AOC-1 containing salient features of the financial statements of the subsidiary companies is attached as Annexure-8.

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

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

28.02 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 Boards' Report. In accordance with Section 136 (1) of the Companies Act, 2013 the Annexure is available for inspection by any member at the registered office of the Company during working hours, 21 days before the date of the AGM.

29.00 VIGIL MECHANISM:

29.01 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. Details of Vigil Mechanism are given in the Corporate Governance Report. The Vigil Mechanism has been disclosed on the website of the Company at https://www.isgec.com/pdf/VigilMechanismWhistleBlowerPolicy-10.06.2021.pdf

30.00 MAINTENANCE OF COST RECORDS:

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

31.00 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

31.01 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.

32.00 SECRETARIAL AUDIT REPORT:

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

32.02 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.

33.00 SECRETARIAL STANDARDS:

33.01 The Company complies with all applicable secretarial standards.

34.00 PERSONNEL:

34.01 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.

35.00 INDUSTRIAL RELATIONS:

35.01 Industrial relations remained peaceful.

36.00 ACKNOWLEDGEMENTS:

36.01 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.

36.02 With these remarks, we present the Accounts for the year ended March 31, 2021.

BY ORDER OF THE BOARD

	Aditya Puri	**Sidharth Prasad**
Date: 28.06.2021	Managing Director	Director
Place: Noida	DIN:00052534	DIN: 00074194

Annexure - 1

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO

	Ratios		FY 2020-2021	FY 2019-2020	Percentage variance	Comments
1	Debtors Turnover	Turnover/Average Debtors	1.87	2.49	-24.78	Ratio has moved adversely, mainly because of loss of revenue in Q1 due to covid related lockdowns and also because of build up of Retention on long duration projects under execution.
2	Inventory/ Ratio Turnover	Sale of products/ Average Inventory	7.58	7.34	3.30	
3	Interest Coverage Ratio	PBIT/Interest cost	16.96	17.32	-2.06	The interest coverage ratio continues to be very healthy.
4	Current Ratio	Current Assets/ Current Liabities	1.42	1.32	7.63	
5	Debt Equity Ratio	Total Liability/ Equity	1.86	2.01	-7.74	
6	Operating Profit Margin	PBIT/Total Revenue	6.96%	4.48%	55.25	Profit margin has improved due to various cost control measures including employee salaries, travel costs and also because legal expenses have reduced sharply on settlement of the litigation.
7	Net Profit Margin	Net Profit after Tax/Total Revenue	5.02%	3.12%	61.15	
8	Return on Net Worth	Net Profit/Equity	13.03%	10.41%	25.17	

Annexure - 2

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT UNDER SECTION 186 OF COMPANIES ACT 2013 AS AT 31.03.2021

₹ in lakhs

Sr. No.	Nature of the transaction (Loans given/ Guarantee given/Security Provided/Investments made)	Purpose for which the Loan/Guarantee/Security is utilised by the recipient	Amount
1	Guarantees to Banks for Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	48,182.79
2	Guarantees to Banks for Isgec Titan Metal Fabricators Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	5,950.00
3	Guarantees to Banks for Isgec Redecam Enviro Solutions Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00
4	Security provided to HSBC Bank for Loans to Eagle Press & Equipment Co. Limited Canada	To secure Term Loan and credit facilities to Eagle Press & Equipment co. Limited Canada	7,427.20
	Total		**63,559.99**

5	Investment	Face Value ₹ per Share/Unit	No. of Shares/Units	Amount
	a) Equity Shares of Subsidiary Companies (At cost) :			
	Isgec Covema Limited	10	20,00,000	200.00
	Isgec Exports Limited	10	100,000	10.00
	Isgec Engineering & Projects Limited	10	40,00,000	400.00
	Saraswati Sugar Mills Limited	10	70,99,900	7,009.99
	Freelook Software Private Limited	10	24,650	1,306.45
	Eagle Press & Equipment Co. Limited	CAD 1	45,00,000	2,643.05
	Isgec Investments PTE Limited	SGD 1	10,000	5.20
	Isgec Hitachi Zosen Limited	10	5,10,00,000	5,100.00
	Isgec SFW Boilers Private Limited	10	10,20,000	102.00
	Isgec Titan Metal Fabricators Private Limited	10	5,10,000	51.00
	Isgec Redecam Enviro Solutions Private Limited	10	10,20,000	102.00
	b) Loans to Subsidiaries :			
	Isgec Investments PTE Limited Singapore			3,169.15
	Eagle Press & Equipment Co. Limited Canada			1,160.50
	Total :			**21,259.34**
	Grand Total :			**84,819.33**

Annexure - 3

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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	Subsidiary Company	Sale of Goods	1 Year	Sale of material	15030.51		NIL
2	Saraswati Sugar Mills Limited	Subsidiary Company	Services Received	1 Year	Services received	6.63		NIL
3	Saraswati Sugar Mills Limited	Subsidiary Company	Rendering of Services	1 Year	Rendering of Engineering Services	159.62		NIL
4	Saraswati Sugar Mills Limited	Subsidiary Company	Purchase of Goods	1 Year	Purchase of consumables	4.66		NIL
5	Saraswati Sugar Mills Limited	Subsidiary Company	Rent Paid	1 Year	Rent paid for the storage used	7.29		
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	63.15		NIL
8	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Sale of Materials	1 Year	Sale of Materials	16.54		NIL
9	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of services	863.30		NIL
10	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Services Received	1 Year	Services received	237.59		NIL
11	Isgec Hitachi Zosen Limited	Subsidiary Company with 51% Shareholding	Purchase of Fixed Assets	1 Year	Purchase of Fixed Assets	0.85		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
12	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Raw Materials	914.39		NIL
13	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Sale of Goods	1 Year	Sale of Materials	31.88		NIL
14	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of Engineering Services	328.27		NIL
15	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Services Received	1 Year	Services Received	10.69		NIL
16	Isgec Titan Metal Fabricators Private Limited	Subsidiary Company with 51% Shareholding	Rent Received	1 Year	Rent received on lease of office building	100.00		NIL
17	Isgec SFW Boilers Private Limited	Subsidiary Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of Engineering Services	67.38		NIL
18	Isgec SFW Boilers Private Limited	Subsidiary Company with 51% Shareholding	Services Received	1 Year	Services Received	18.56		NIL
19	Isgec Redecam Enviro Solutions Private Limited	Subsidiary Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Raw Materials	676.81		NIL
20	Isgec Redecam Enviro Solutions Private Limited	Subsidiary Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of Engineering and other Services	126.91		NIL
21	Eagle Press & Equipment Co. Limited	Subsidiary Company	Sale of Materials	1 Year	Sale of Materials	218.44		NIL
22	Eagle Press & Equipment Co. Limited	Subsidiary Company	Loans Given	1 Year	Loans given	347.92		NIL
23	Eagle Press & Equipment Co. Limited	Subsidiary Company	Interest on Loan	1 Year	Interest on loan	53.32		NIL
24	Eagle Press & Equipment Co. Limited	Subsidiary Company	Purchase of Raw Materials	1 Year	Purchase of Raw Materials	0.57		NIL
25	Isgec Investments PTE Ltd.	Subsidiary Company	Loans Given	1 Year	Loans given	2079.43		NIL
26	Isgec Investments PTE Ltd.	Subsidiary Company	Interest on Loan	1 Year	Interest on loan	105.22		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
27	Isgec Covema Limited	Subsidiary Company	Sale of Materials	1 Year	Sale of Materials	2.55		NIL
28	Isgec Covema Limited	Subsidiary Company	Rendering of services	1 Year	Rendering of Services	240.00		NIL
29	Cavite Biofuels Producers Inc.	Subsidiary Company	Sale of Materials	1 Year	Sale of Materials	42.64		NIL
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 Electrial Goods, Oil & Lubricants	57.56		NIL
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	2.12		NIL
34	Isgec Engineering & Projects Limited	Subsidiary Company	Rent Paid	1 Year	Rent paid on lease of building	8.64	31/10/2015	NIL
35	Bluewater Enterprises	Firm in which Director is Partner	Rent Paid	10 Years	Rent paid on lease of office building	69.98	31/01/2009	NIL
36	Mr Ranjit Puri	Chairman	Chairman	1 Year	Remuneration and Director's Sitting Fee	4.65		NIL
37	Mr Aditya Puri	Managing Director	Managing Director	1 Year	Remuneration	381.50		NIL
38	Mrs. Nina Puri	Wholetime Director	Wholetime Director	1 Year	Remuneration	381.50		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
39	Mrs. Nina Puri	Wholetime Director	Rent Paid	1 Year	Rent paid for the premises used as guest house	33.00		NIL
40	Mr. Vinod K. Nagpal	Director	Director	1 Year	Remuneration and Director's Sitting Fee	2.41		NIL
41	Mr. Tahir Hasan	Director	Director	1 Year	Remuneration and Director's Sitting Fee	2.12		NIL
42	Mr. Arun Kathpalia	Director	Director	1 Year	Remuneration and Director's Sitting Fee	1.42		NIL
43	Mr. Vinod Kumar Sachdeva	Director	Director	1 Year	Remuneration and Director's Sitting Fee	2.32		NIL
44	Mr. Sidharth Prasad	Director	Director	1 Year	Remuneration and Director's Sitting Fee	4.85		NIL
45	Mr. Vishal Kirti Keshav Marwaha	Director	Director	1 Year	Remuneration and Director's Sitting Fee	4.75		NIL
46	Mrs. Shivani Hazari	Director	Director	1 Year	Remuneration and Director's Sitting Fee	4.35		NIL

Annexure - 4

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 are as under:-

(a) Steps to save energy:

1. Replacement of lower rating air conditioners with Five Star / Inverter Air Conditioners.
2. Replacement of conventional ceiling fans with Energy Efficient Ceiling Fans.
3. Replacement of conventional Thyristor controlled welding machines with high efficiency Inverter / Insulated Gate Bipolar Transistors (IGBT) controlled Welding Machines.
4. Development and installation of Automatic On-Off Panels for High Frequency Convertors.
5. Replacement of old conventional servo controlled voltage stabilizers with High Efficiency Precision 'Pulse Wave Modulation' Static Voltage Regulators having technologically advanced features.
6. Installation of Energy Monitoring Systems (EMS) at air compressors.
7. Installation of Variable Frequency Drives on high rating motors.
8. Installation of Auto on-off Switches for lights.

(b) Steps to conserve heat energy:

Use of Re-gasified Compressed Natural Gas (RCNG) for heating purposes in place of High Speed Diesel (HSD) and Liquefied Petroleum Gas (LPG).

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

In the last four years, Solar Power Plants of 1,750 KW capacity have been installed in the Works at Yamunanagar, Haryana.

(iii) Capital Investment on energy conservation equipment:

Approximately ₹ 98 lakhs.

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

(a) The Company has the 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;
- 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).

- 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;
- 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.

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:-

1. **Combustion Modifications of Tangentially Fired Boilers;**

   With BHI FW Corporation, USA, for Combustion Modifications of Tangentially Fired Boilers.

(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 reckoned from the 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 SO2 in units of Thermal Power, etc.	From BHI FW Corporation, USA for Combustion Modifications of Tangentially Fired Boilers.
(b)	Year of Import	Year ended 31st March, 2020	Year ended 31st March, 2021
(c)	Whether technology has been fully absorbed	Not yet	Not yet
(d)	If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	The agreement has been entered into recently and 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 training for this technology was conducted in the financial year ended 31stMarch, 2021 along with exchange of software, programs and reference documentation. Based on the same, the technology is partially absorbed.	The agreement has been entered into recently and the training and documentation transfer is currently underway which will be completed by the end of the 2nd quarter of FY' 2021-22. After completion of training and documentation transfer, the technology will be partially absorbed. However, the technology will be fully absorbed once a few projects are executed based on this technology.

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

Total foreign exchange earnings and outgo (2020-21) – Cash basis	(Amount in ₹ lakh)
- Total foreign exchange earnings	55,249.72
- Total foreign exchange outgo	23,570.28

Annexure - 5

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:

- For the period from April 01, 2020 till the conclusion of the 87th AGM of the Company held on September 18, 2020:

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. Vinod Kumar Sachdeva (DIN: 00454458)	Member	1	1

- For the period from the conclusion of the 87th AGM of the Company held on September 18, 2020 till March 31, 2021:

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	2	2
2	Mr. Aditya Puri (DIN: 00052534)	Member	2	2
3	Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204)	Member	2	2

3 Web-link where Composition of CSR committee, CSR policy and CSR projects approved by board are disclosed on the website of the Company: http://www.isgec.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 Resposibility 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 Resposibility 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 ₹)
		Nil	

6 **Average net profit of the company as per section 135(5): ₹ 19,569.60 Lakhs**

7 **Calculation of CSR obligation:** (₹ in Lakhs)

(a)	Two percentage of average net profit	391.39
(b)	Surplus arising out of CSR projects or programmes or activities of the previous financial year	16.15
(c)	Amount required to be set off for the financial year	-
(d)	Total CSR obligation for the financial year (a+b-c)	407.54

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
306.42	101.12	30/04/2021		Nil	

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the CSR Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current financial year (in ₹ Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing agency (Yes/No)	
				State	District						Name	CSR Registration Number
1	Providing 5 KW Solar Power Systems in Schools	Promoting Education	Yes	Haryana	Yamunanagar		225.00	88.98	101.12	Yes	NA	NA
2	Connectivity pipes from building rooftops to Rain Water Harvesting pits in Schools	Promoting Education	Yes	Haryana	Yamunanagar			34.90		Yes	NA	NA
	Total						**225.00**	**123.88**	**101.12**			

(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	19.71	No	Nai Disha	NA
2	Contribution to Trusts & Other Societies for promoting education	Promoting Education	Yes	Haryana	Yamunanagar	1.00	No	Sewa Bharti	NA
3	Flex Boards for schools	Promoting Education	Yes	Haryana	Yamunanagar	0.35	Yes	NA	NA
4	Purchase of safety stand with Screen for Covid 19	Covid Expenses	Yes	Haryana	Yamunanagar	1.59	Yes	NA	NA
5	Recognizing Voluntary service of essential services workers	Covid Expenses	Yes	Haryana	Yamunanagar	4.94	Yes	NA	NA
6	Stipend Paid to Apprentice selected for Training & Skill Development	Promoting employment enhancing vocational Skills	Yes	Haryana	Yamunanagar	83.70	Yes	NA	NA
7	Contribution to Atal Manav Sewa Sanstha	Preventive Health Care	Yes	Haryana	Yamunanagar	0.05	No	Atal Manav Seva Sansthan	NA
8	Providing rainwater harvesting systems with pipeline and side drain covers in 2 Nos. Government schools	Promoting Education	Yes	Haryana	Yamunanagar	45.64	Yes	NA	NA
9	Providing wiring modification in the schools for safe solar power plant connection	Promoting Education	Yes	Haryana	Yamunanagar	2.95	Yes	NA	NA
10	Providing maintenance of existing rain water harvesting	Promoting Education	Yes	Haryana	Yamunanagar	0.66	Yes	NA	NA
11	Providing maintenance of existing solar power plants	Promoting Education	Yes	Haryana	Yamunanagar	2.39	Yes	NA	NA
	Total					**162.98**			

(d) Amount spent in Administrative overheads (₹ in Lakhs) 19.56

(e) Amount spent on Impact assessment, if applicable - Not Applicable

(f) Total amount spent for the financial year (b+c+d+e) (₹ in Lakhs) 306.42

(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	2017-18	Nil	Nil	NA	Nil	NA	Nil
2	2018-19	Nil	Nil	NA	Nil	NA	Nil
3	2019-20	Nil	16.15	NA	Nil	NA	Nil

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

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

10 Creation or acquisition of capital asset from CSR spent

(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 financials years as per section 135(5).

Aditya Puri
(Managing Director)

Ranjit Puri
(Chairman - CSR Committee)

Annexure - 6

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARDING TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

(As per sub rule 5 (iiia) of Rule 8 of the Companies (Accounts) Rules, 2014)

Name of the Director	Mr. Sidharth Prasad	Mr. Vishal Kirti Keshav Marwaha
DIN	00074194	00164204
Board position held	Non-Executive Independent Director	Non-Executive Independent Director
Expertise	Food Security, Agriculture, Rural Finance, Rural Development, and Natural Resources Management	Financial Management
Experience as a Director	39 years	16 years
Online proficiency self-assessment test being conducted by the Indian Institute of Corporate Affairs (Institute)	He is exempted from the online proficiency self-assessment test being conducted by the Indian Institute of Corporate Affairs (Institute) as he has served more than three years as a director as on the date of inclusion of his name in the data bank maintained by the Institute, as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.	He is exempted from the online proficiency self-assessment test being conducted by the Indian Institute of Corporate Affairs (Institute) as he has served more than three years as a director as on the date of inclusion of his name in the data bank maintained by the Institute, as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
Board's opinion	In the Performance Evaluation conducted for the year 2019-20, the performance of Mr. Sidharth Prasad was evaluated satisfactory in the effective and efficient discharge of his role and 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.	In the Performance Evaluation conducted for the year 2019-20, the performance of Mr. Vishal Kirti Keshav Marwaha was evaluated satisfactory in the effective and efficient discharge of his role and 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.

Annexure - 7

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 Exchange and publishing in newspapers.

2. BOARD OF DIRECTORS:

(a) Composition and Category of Directors:

The composition of the Board is in compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board comprises of a Non-Executive Chairman (Promoter), two Executive Directors (Promoters), and seven Non-Executive Independent Directors until the conclusion of the 87th Annual General Meeting (AGM) of the Company held on September 18, 2020. With effect from September 19, 2020, there are three Non-Executive Independent Directors, since four Non-Executive Independent Directors retired on the conclusion of the 87th AGM held on September 18, 2020, after completion of tenure of their appointment.

(b)&(c) Attendance of each Director at the Board Meetings and at the last Annual General Meeting and Number of other Boards or Board Committees in which he / she is a Member or Chairman:

Name of the Director	No. of Board Meetings attended	Whether attended the last Annual General Meeting	Directorships and Committee Memberships in other companies as disclosed			
			Public	Private	Committee Member-ship	Committee Chairman-ship
Non-Executive Chairman & Promoter						
Mr. Ranjit Puri	4	Yes	4	-	1	-
Executive Directors & Promoters						
Mr. Aditya Puri, Managing Director	4	Yes	9	-	3	-
Mrs. Nina Puri, Whole-time Director#	4	Yes	1	-	-	-
Non-Executive Independent Directors						
Mr. Arun Kathpalia*	1	No	1	2	-	-
Mr. Sidharth Prasad	4	Yes	2	5	2	-
Mrs. Shivani Hazari	4	Yes	-	3	1	-
Mr. Tahir Hasan*	2	Yes	2	2	-	2
Mr. Vinod K. Nagpal*	2	Yes	-	2	-	-
Mr. Vinod Kumar Sachdeva *	2	Yes	2	-	-	-
Mr. Vishal Kirti Keshav Marwaha	4	Yes	2	1	-	1

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

S. No	Name of Director	Name of Listed Entities in which the concerned Director is a Director	Category of Directorship
1.	Mr. Ranjit Puri	The Yamuna Syndicate Limited	Non-Executive Non Independent Director
		Jullundur Motor Agency Limited	Non-Executive Non Independent Director
2.	Mr. Aditya Puri	The Yamuna Syndicate Limited	Non-Executive Non Independent Director
3.	Mrs. Nina Puri#	-	-
4.	Mr. Arun Kathpalia*	-	-
5.	Mr. Sidharth Prasad	The United Provinces Sugar Company Limited	Non-Executive Non Independent Director
6.	Mrs. Shivani Hazari	-	-
7.	Mr. Tahir Hasan*	Shervani Industrial Syndicate Limited	Executive Director
8.	Mr. Vinod K. Nagpal*	-	-
9.	Mr. Vinod Kumar Sachdeva*	-	-
10.	Mr. Vishal Kirti Keshav Marwaha	-	-

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

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

- June 26, 2020
- August 12, 2020
- November 09, 2020
- February 11, 2021

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

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

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

S. No.	Name of Director	Number of Shares held
01.	Mr. Arun Kathpalia*	1,200
02.	Mr. Ranjit Puri	65,92,010
03.	Mr. Sidharth Prasad	Nil
04.	Mrs. Shivani Hazari	Nil
05.	Mr. Tahir Hasan*	17,600
06.	Mr. Vinod K. Nagpal*	553
07.	Mr. Vinod Kumar Sachdeva*	3,900
08.	Mr. Vishal Kirti Keshav Marwaha	Nil

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

http://www.isgec.com/aboutus-independent-directors.php

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

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

- Industry knowledge and experience - Knowledge on Company's businesses (Manufacturing Heavy Engineering Capital Goods and Engineering, Procurement and Construction Projects), policies and culture, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Leadership - Be a thoughtful leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise shareholder value.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- Financial and Management skills, Legal knowledge.
- Technical / Professional skills and specialized knowledge in relation to Company's business.

(ii) The name of Directors who have above skills / expertise / competencies:

S. No.	Name of Director	Skills / Expertise / Competencies
1.	Mr. Ranjit Puri	Leadership & knowledge on Company's businesses (Manufacturing Heavy Engineering Capital Goods and Engineering, Procurement and Construction Projects), policies and culture, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
2.	Mr. Aditya Puri	
3.	Mr. Arun Kathpalia*	Legal knowledge
4.	Mrs. Nina Puri#	Business Strategy and Decision Making
5.	Mr. Sidharth Prasad	Food Security, Agriculture, Rural Finance, Rural Development and Natural Resources Management
6.	Mrs. Shivani Hazari	Human Resource Management
7.	Mr. Tahir Hasan*	Administration and Decision Making
8.	Mr. Vinod K. Nagpal*	Financial and Management skills
9.	Mr. Vinod Kumar Sachdeva*	Technical / Professional skills and knowledge in relation to Company's business
10.	Mr. Vishal Kirti Keshav Marwaha	Financial and Management skills

Confirmation that in the opinion of the board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, Rule 6 (1) and (2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

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

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

None

* Mr. Vinod K. Nagpal (DIN: 00147777), Mr. Tahir Hasan (DIN: 00074282), Mr. Arun Kathpalia (DIN: 00177320) and Mr. Vinod Kumar Sachdeva (DIN: 00454458), Independent Directors retired from the Board of the Company, on completion of tenure of their appointment with effect from the conclusion of the 87th Annual General Meeting of the Company held on September 18, 2020.

Mrs. Nina Puri (DIN: 01316769) has resigned from the position of Whole-Time Director with effect from close of business hours on March 31, 2021.

3. AUDIT COMMITTEE:

(a) Brief description of terms of reference:

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

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

- For the period from April 01, 2020 till the conclusion of the 87th AGM of the Company held on September 18, 2020:

S. No.	Name of the Committee Member	No. of meetings attended	Number of meetings and dates of meeting held	
			Number of meetings	Date of meeting
1.	Mr. Vinod K. Nagpal, Chairman	2	2	26.06.2020 12.08.2020
2.	Mr. Arun Kathpalia, Member	-		
3.	Mr. Aditya Puri, Member	2		
4.	Mr. Sidharth Prasad, Member	2		

- For the period from the conclusion of the 87th AGM of the Company held on September 18, 2020 till March 31, 2021:

S. No.	Name of the Committee Member	No. of meetings attended	Number of meetings and dates of meeting held	
			Number of meetings	Date of meeting
1.	Mr. Vishal Kirti Keshav Marwaha, Chairman	2	2	09.11.2020 11.02.2021
2.	Mr. Aditya Puri, Member	2		
3.	Mr. Sidharth Prasad, Member	2		

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

4. NOMINATION AND REMUNERATION COMMITTEE:

(a) Brief description of terms of reference:

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

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

- For the period from April 01, 2020 till the conclusion of the 87th AGM of the Company held on September 18, 2020:

S. No.	Name of the Committee Member	No. of meetings attended	Number of meetings and dates of meeting held	
			Number of meetings held	Date of meeting
1.	Mr. Vinod K. Nagpal, Chairman	1	1	June 26, 2020
2.	Mr. Vinod Kumar Sachdeva, Member	1		
3.	Mr. Arun Kathpalia, Member	1		

- For the period from the conclusion of the 87th AGM of the Company held on September 18, 2020 till March 31, 2021:

S. No.	Name of the Committee Member	No. of meetings attended	Number of meetings and dates of meeting held	
			Number of meetings held	Date of meeting
1.	Mr. Sidharth Prasad, Chairman	-	None	Not Applicable
2.	Mr. Vishal Kirti Keshav Marwaha, Member	-		
3.	Mrs. Shivani Hazari, Member	-		

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

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

(d) Performance evaluation criteria for Independent Directors:

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

5. DETAILS OF REMUNERATION PAID TO DIRECTORS:

(i) Executive Directors:

Details of remuneration paid to Executive Directors:

(₹ in lakhs)

S. No.	Particulars	Mr. Aditya Puri, Managing Director	Mrs. Nina Puri, Whole Time Director	Total
(i)	Salary	60.00	60.00	120.00
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	14.70	8.70	23.40
(iii)	Other Perquisites	-	0.20	0.20
(iv)	Commission	306.80	312.60	619.40
	Total	**381.50**	**381.50**	**763.00**

(ii) Non-Executive Directors:

Details of remuneration paid to Non-Executive Directors:

S. No.	Name of Director	Nature of Payment and Amount (₹)		Total Amount (₹)
		Commission	Sitting Fee	
01.	Mr. Vinod K. Nagpal	11,712	2,30,000	2,41,712
02.	Mr. Tahir Hasan	11,712	2,00,000	2,11,712
03.	Mr. Ranjit Puri	25,000	4,40,000	4,65,000
04.	Mr. Arun Kathpalia	11,712	1,30,000	1,41,712
05.	Mr. Vinod Kumar Sachdeva	11,712	2,20,000	2,31,712
06.	Mr. Sidharth Prasad	25,000	4,60,000	4,85,000
07.	Mr. Vishal Kirti Keshav Marwaha	25,000	4,50,000	4,75,000
08.	Mrs. Shivani Hazari	25,000	4,10,000	4,35,000
	Total	**1,46,848**	**25,40,000**	**26,86,848**

No remuneration other than sitting fee and commission as aforesaid is paid to Non-Executive Directors. There has been no pecuniary relationship or transactions between the Company and Non-Executive Directors during the year 2020-21. There are no stock options available / issued to any Non-Executive Director of the Company. There are no convertible instruments issued to any of the Non-Executive Directors of the Company.

6. STAKEHOLDERS RELATIONSHIP AND GRIEVANCES COMMITTEE:

(a) Composition, Name of Members and Chairman:

- For the period from April 01, 2020 till the conclusion of the 87th AGM of the Company held on September 18, 2020:

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

- For the period from the conclusion of the 87th AGM of the Company held on September 18, 2020 till March 31, 2021:

S. No.	Name of the Committee Member	Position
1.	Mr. Ranjit Puri	Chairman
2.	Mr. Sidharth Prasad	Member
3.	Mrs. Shivani Hazari	Member

(b) Name and designation of Compliance Officer:

Mr. S. K. Khorana, Company Secretary

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

Nil

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

Nil

(e) Number of pending complaints:

Nil.

7. GENERAL BODY MEETINGS:

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

Date	Location	Time
August 07, 2018	Office Premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana	11:30 A.M.
August 10, 2019		11:30 A.M.
September 18, 2020	Meeting held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at Radaur Road, Yamunanagar-135001, Haryana deemed as the venue of the AGM.	11:30 A.M.

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

Yes,

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

(ii) Special Resolutions regarding re-appointment of Mr. Sidharth Prasad (DIN: 00074194) and Mr. Vishal Kirti Keshav Marwaha (DIN: 00164204) as an Independent Directors were passed in the AGM held on September 18, 2020.

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

No

(d) Person who conducted the postal ballot exercise:

Not applicable

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

No

(f) Procedure for postal ballot:

Not Applicable

8. MEANS OF COMMUNICATION:

(a) Quarterly/Annually Results:

Yes, published in newspaper.

(b) Newspapers wherein results normally published:

(i) Business Line (English) and

(ii) Hari Bhoomi (Hindi)

(c) Any website, where displayed:

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

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

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

9. GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting date and time:

Annual General Meeting will be held on September 17, 2021 at 11:30 a.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

(b) Financial Year:

April 1, 2020 to March 31, 2021.

(c) Dividend Payment Dates:

March 03, 2021 for Interim Dividend.

October 11, 2021 for Final Dividend.

(d) Listing on Stock Exchanges:

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

Listed on National Stock Exchange (NSE) at Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 with effect from May 05, 2021.

It is confirmed that payment of Annual Listing Fee for Financial Year 2021-2022 has been made by Company to Bombay Stock Exchange.

(e) Stock Code:

The Stock Code Number is ISIN – INE858B01029

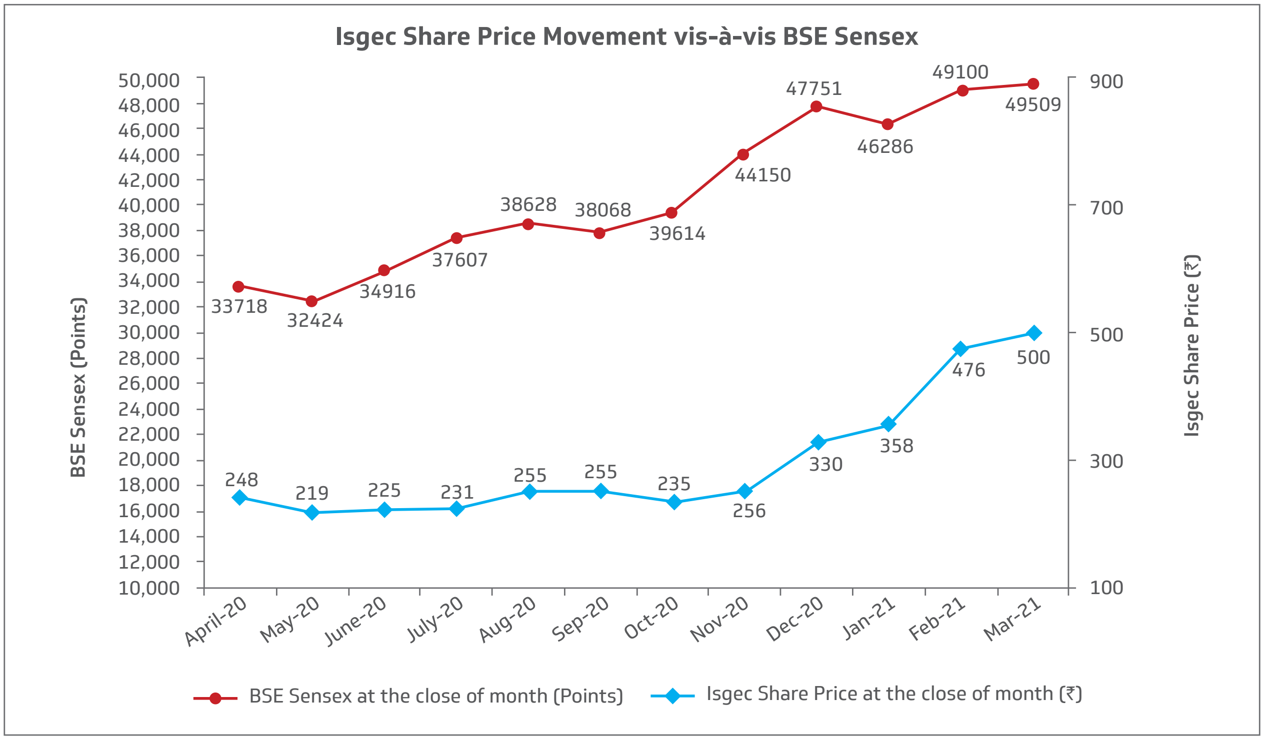
Bombay Stock Exchange has allotted scrip name as ISGEC and scrip code as 533033.

National Stock Exchange has allotted symbol as ISGEC.

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

Month	Bombay Stock Exchange	
	Highest (₹)	Lowest (₹)
April, 2020	279	232
May, 2020	244	206
June, 2020	274	220
July, 2020	287	217
August, 2020	303	228
September, 2020	285	252
October, 2020	262	234
November, 2020	291	231
December, 2020	344	262
January, 2021	395	326
February, 2021	494	354
March, 2021	533	442

(g) Isgec Share Price Mpvement vis-à-vis BSE Sensex:



(h) Securities Suspended from Trading:

Not Applicable

(i) Registrar and Transfer Agents:

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

(j) Share Transfer System:

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

(k) Distribution of Shareholding:

The distribution of shareholding as on March 31, 2021:

Shareholding of Nominal Value	Shareholders		Share Amount	
₹	Number	% of Total	(In ₹)	% of Total
Up-to 5,000	13,386	96.85	43,38,456	5.90
5,001 - 10,000	191	1.38	14,24,790	1.94
10,001 - 20,000	104	0.75	15,58,517	2.12
20,001 - 30,000	43	0.31	10,55,283	1.44
30,001 - 40,000	21	0.15	7,36,319	1.00
40,001 - 50,000	13	0.09	5,97,248	0.81
50,001 - 1,00,000	28	0.20	18,80,490	2.56
1,00,001 and above	37	0.27	61,938,407	84.23
TOTAL	**13,823**	**100.00**	**7,35,29,510**	**100.00**

Shareholding pattern as on March 31, 2021:

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	5	4,59,04,888	62.43%
FIs, Banks & Mutual Funds	17	65,45,960	8.90%
Others (Public)	13801	2,10,78,662	28.67%

(l) Dematerialisation of shares and liquidity :

98.03 % of share capital has been dematerialised as on March 31, 2021.

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

There is no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments and therefore there is no impact on equity.

(n) Foreign exchange risk and hedging activities:

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

(o) Plant and Business locations:

A. Manufacturing Segment - Plant locations:

Name	Item of Manufacture	Address for correspondence
(i) Radaur Road, Yamunanagar	Pressure Vessels & Heat Exchangers, Presses– Mechanical & Hydraulic, Boilers, Container, Castings, Sugar and other Industrial Machinery	Isgec Heavy Engineering Limited Radaur Road, Yamunanagar-135001 Haryana
(ii) Rattangarh, Yamunanagar	Pressure Parts for Boilers	Isgec Heavy Engineering Limited Rattangarh, Yamunanagar-135001 Haryana
(iii) Dahej	Pressure Vessels, Columns, Heat Exchangers	Isgec Heavy Engineering Limited 13/B, G.I.D.C Industrial Estate, Dahej, Taluka- Vagra, Distt. Bharuch - 392130. Gujarat
(iv) Dahej	Process Equipment	Isgec Heavy Engineering Limited Plot No. Z-89, Dahej Special Economic Zone Part-II, Taluka- Vagra, Distt. Bharuch-392130, Gujarat
(v) Muzaffarnagar	Castings - Steel & Iron	Isgec Heavy Engineering Limited Village Nara, P.O. Mansurpur –251203, Distt. Muzaffarnagar, Uttar Pradesh
(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, Uttar Pradesh (ii) A-4, Sector – 24, Noida – 201301, Uttar Pradesh
(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:

	Name	Address for correspondence
(i)	Mumbai	2nd Floor, Great Social Building, 60 P Mehta Road, Fort Mumbai, Maharashtra-400001
(ii)	Kolkata	3rd 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, Uttar Pradesh
Tel. : +91-120-408 5001/ 5002
Fax.: +91-120-241 2250
e-mail: skkhorana@isgec.com

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

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

10. DISCLOSURES

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

Nil

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

None

(c) Vigil Mechanism:

The Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors, 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) Subsidiary Company:

The Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at web link namely http://www.isgec.com/pdf/PolicyforDeterminingMaterialSubsidiaries1612020.pdf

(f) Related Party Transactions:

The Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is disclosed on the Company's website at web link namely http://www.isgec.com/pdf/PolicyonMaterialityofRelatedPartyTransactionsandonDealingwithRelatedPartyTransactions1822020.pdf

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

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

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

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

Nil

(i) A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority:

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

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

Particulars	Isgec Heavy Engineering Limited	Saraswati Sugar Mills Limited	Isgec Hitachi Zosen Limited	Total
Statutory Audit Fee	18.00	4.00	2.95	24.95
In other capacity	1.60	-	-	1.60
Reimbursement of Expenses	1.59	0.70	-	2.29
Total	**21.19**	**4.70**	**2.95**	**28.84**

(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 2020-2021 NIL

b) Number of complaints disposed of during the financial year 2020-2021 NIL

c) Number of complaints pending as on end of financial year 2020-2021 NIL

11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Nil

12. DISCRETIONARY REQUIREMENT COMPLIED WITH AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

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.

As required under para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare that all the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management during the year ended March 31, 2021.

Aditya Puri
Managing Director
(DIN: 00052534)

Dated: June 28, 2021

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
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 & its officers and considering the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of Appointment in the Company*
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	Shivani Hazari	00694121	09/02/2019
6	Nina Puri	01316769	15/02/2007

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of the appointment / 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
UDIN: F007091C000335089

Noida, May 17, 2021

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 June, 2021.

2. The accompanying Corporate Governance Report prepared by Isgec Heavy Engineering Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

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. Pursuant to the requirements of Listing regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the company has complied with the specific requirements of the Listing Regulations referred to in the paragraph 2 above.

6. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. 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.

8. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and reviewed the Directors Register as on March 31, 2021 and verified that at least one woman director was on the Board during the year;

iv. Obtained and reviewed the minutes of the following meetings held from April 1, 2020 to March 31, 2021:

a) Board of Directors

b) Annual General Meeting / Extra-Ordinary General Meeting (AGM & EGM)

c) Audit Committee

d) Nomination and Remuneration Committee

e) Stakeholders Relationship and Grievances Committee

f) Risk Management Committee

g) Corporate Social Responsibility (CSR) Committee

h) Independent Directors meeting

v. Obtained necessary representations and declarations from Directors of the Company including the Independent Directors; and

vi. Performed necessary inquiries with the management and obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 8 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 2 above.

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: 21087010AAAADK2175

PLACE: Noida
DATE: 28th June 2021

Annexure - 8

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
The disclosure under first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part " A" : Subsidiaries

(₹ in lakhs)

2020-21

	Description	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd. (earlier Isgec Foster Wheeler Boilers Private Ltd.)	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Ltd. ***	Isgec Investment PTE Limited****
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd. (earlier Isgec Foster Wheeler 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, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	Year Ended March 31, 2021	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	Indian Rupees	Indian Rupees
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	2,501.55	5.20
6	Reserves & surplus	304.87	120.24	26,631.40	7.29	761.12	4,539.42	364.40	765.07	(295.85)	(2,728.60)	13,654.10
7	Total Assets	2,657.02	130.54	75,323.52	407.59	763.94	52,563.45	784.70	2,749.47	2,143.05	12,124.52	80,552.75
8	Total Liabilities	2,152.15	0.30	47,982.11	0.30	0.35	38,024.03	220.30	1,884.40	2,238.90	12,351.57	66,893.45
9	Investments	-	-	-	-	-	-	-	-	-		-
10	Turnover *	2,887.02	7.30	82,086.01	12.86	41.80	33,903.73	977.95	3,642.46	2,611.25	10,651.74	1,079.10
11	Profit/(Loss) before Taxation before OCI	374.36	6.98	8,794.78	5.14	41.42	966.47	207.96	599.46	(387.60)	68.04	(1,039.87)
12	Provision for Taxation											
	a. Current Tax	88.39	1.76	2,246.37	1.78	0.00	244.96	57.27	154.20	-	(117.59)	0.98
	b. Deferred Tax	7.45	-	6.93	0.13	(6.44)	(29.29)	(4.69)	(3.58)	(97.52)	865.19	220.09
13	Profit/(Loss) after taxation	278.52	5.22	6,541.48	3.23	47.86	750.80	155.38	448.84	(290.08)	(679.56)	(1,260.94)
14	Other Comprehensive Income	-	-	17.38	-	-	18.43	0.57	-	-	(2.95)	296.39
15	Proposed Dividend **	-	-	2,839.97	-	-	200.00	120.00	250.00	-	-	-
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%

2019-20

	Description	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd. (earlier Isgec Foster Wheeler Boilers Private Ltd.)	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Ltd. ***	Isgec Investment PTE Ltd. ****
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec SFW Boilers Private Ltd. (earlier Isgec Foster Wheeler Boilers Private Ltd.)	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd.	Eagle press & Equipment co. Ltd. ***	Isgec Investment PTE Ltd. ****
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	18/09/2018	27/08/2019
3	Reporting Period	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020	Year Ended March 31, 2020
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
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	26.35	115.02	22,380.00	4.06	713.27	4,170.18	208.45	366.23	(5.76)	(2,046.08)	14,618.65
7	Total Assets	983.23	125.31	62,133.08	404.35	716.09	45,061.51	787.03	3,463.62	2,264.56	13,350.33	77,404.51
8	Total Liabilities	756.88	0.30	39,043.09	0.30	0.35	30,891.33	378.58	2,997.38	2,070.33	12,894.86	62,780.66
9	Investments	-	-		-	-	-	-	-	-	-	-
10	Turnover *	129.14	7.07	60,307.68	13.11	9.72	28,892.20	649.49	2,561.20	4,045.03	11,311.60	393.89
11	Profit/(Loss) before Taxation before OCI	(3.13)	6.71	3,335.64	5.31	(67.00)	1,113.67	37.23	247.01	45.70	(2,939.30)	(883.03)
12	Provision for Taxation											
	a. Current Tax	-	1.69	870.74	1.89	-	410.00	13.12	67.73	-	-	1.01
	b. Deferred Tax	16.06	-	352.13	0.20	-	5.74	(4.32)	(5.63)	12.37	(705.87)	58.13
13	Profit/(Loss) after taxation	(19.19)	5.02	2,112.76	3.21	(67.00)	697.93	28.44	184.91	33.33	(2,233.43)	(942.17)
14	Other Comprehensive Income	-	-	(55.15)	-	-	(26.73)	0.18	-	-	72.23	1,115.11
15	Proposed Dividend **	-	-	532.49	-	-	400.00	-	50.00	-	-	-
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%

* Includes Other Income
** Includes interim dividend paid during the year
*** Reporting currency is Canadian Dollar and exchange rate as on the last day of relevant financial year is ₹ 58.025.
**** Reporting currency is Singapore Dollar and exchange rate as on the last day of relevant financial year is ₹ 54.52.

Notes :
1. Names of subsidiaries which have been liquidated or sold during the year : Nil.
Part "B" : Associates and Joint Ventures- Isgec Hitachi Zosen Ltd., Isgec Foster Wheeler Boilers Private Ltd., Isgec Titan Metal Fabricators Private Ltd. and Isgec Redecam Enviro Solutions Private Ltd. are also Joint venture companies.

Annexure - 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)	49
		2) Mrs. Nina Puri (Whole Time Director)	49
(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)	-68%
		2) Mrs. Nina Puri (Whole Time Director)	-68%
		3) Mr. S K Khorana (Company Secretary)	-35%
		4) Mr. Kishore Chatnani (Chief Financial Officer)	-19%

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

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

(iii)	**the percentage increase in the median remuneration of employees in the financial year;**	0.93%
(iv)	**the number of permanent employees on the rolls of company;**	2798 as on 31st March 2021 (3078 as on 31st March 2020)
(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 2020-21 was 0.93%. The percentage decrease in Managerial Remuneration for the year is 68%. Managerial Remuneration has decreased due to lower percentage of commission paid to Managerial Personnel. The commission was reduced for managerial personnel at the same time when the company implemented a salary cut for employees due to disruptions expected due to Covid-19.
(vi)	**affirmation that the remuneration is as per the remuneration policy of the company.**	Remuneration is paid as per the remuneration policy of the company

Annexure - 10

FORM NO. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2021

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of Isgec Heavy Engineering Limited (hereinafter called "the Company") for the Financial Year ended 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended March 31, 2021, generally 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 financial year ended March 31, 2021 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 Bye-laws 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; (Not applicable to the Company during the audit period)

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 of the following:

A. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

B. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period there are no events which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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
UDIN: F007091C000490411

Noida
June 21, 2021

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L23423HR1933PLC000097.

2. **Name of the Company :** ISGEC HEAVY ENGINEERING LIMITED.

3. **Registered address :** RADAUR ROAD, YAMUNANAGAR – 135001, HARYANA (INDIA).

4. **Website :** www.isgec.com

5. **E-mail id :** cfo@isgec.com

6. **Financial Year reported :** Year ended 31.03.2021

7. **Sector(s) that the Company is engaged in (industrial activity code-wise) :**

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

*As per NIC 1987 Classification.

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

   (1) Turnkey Projects for Boilers, Sugar Plants and Power Plants and Material Handling Systems.

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

   (3) Mechanical and Hydraulic Presses.

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

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

   The Company has a branch office in Thailand.

   (b) 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.

   The Company's Managing Director Office is located at New Delhi.

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹ in lakhs)	:	735.29
	Total Turnover (₹ in lakhs)	:	4,34,521.56
	Total profit after taxes (₹ in lakhs)	:	21,823.01
	Total Comprehensive income (₹ in lakhs)	:	21,878.39

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

3. **List of activities in which expenditure in 2 above has been incurred:-**

   a) Covid Expenses : Purchase of safety stand with Screen and Recognizing Voluntary service of essential services workers towards Covid Expenses.

   b) Promoting education in schools by providing following facilities, infrastructure and investment:

      (i) Providing 5 KW Solar Power Systems in Schools and providing maintenance of existing solar power plants.

      (ii) Providing rainwater harvesting systems with pipelines in Government schools.

      (iii) Providing connectivity pipes from building rooftops to rain water harvesting pits and providing maintenance of existing rain water harvesting.

      (iv) Contribution to Trusts & Other Societies for promoting education in Delhi and Yamunanagar.

      (v) Investing in Flex Boards for schools.

   c) Promoting employment by payment of Stipend to Apprentices selected for Training & Skill Development.

   d) Promoting Health Care and Preventive Health Care by Contribution to Atal Manav Sewa Sanstha.

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 the Subsidiary / Associate 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**	00052534
2.	**Name**	Mr. Aditya Puri
3.	**Designation**	Managing Director
4.	**Telephone number**	0120-4085402
5.	**E-mail id**	apuri@isgec.com

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	**Do you have a policy/ policies for.**	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	**Has the policy being formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	**Does the policy conform to any national / international standards? If yes, specify? (50 words)**	Company is ISO 9001 certified. Our policy conforms to all standards specified in ISO 9001. Further Company is ISO 14000 certified for environment. Company has OHSAS 18001 Certification for Occupational Health & Safety Management System. Company also complies with the 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 implementation 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/ Whistle Blower Policy, Policy on Materiality of Related Party Transactions and on Dealing with 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 -

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

3. **Governance related to BR**

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability -

ISGEC upholds the policy of good governance with ethics, transparency and accountability.

PRINCIPLE 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle -

ISGEC has all quality & inspection systems in place to ensure goods & services provided by the company are safe & sustainable throughout their life cycle.

PRINCIPLE 3:

Businesses should promote the wellbeing of all employees -

ISGEC is committed to ensuring well being of its employees. It has adopted Policy on Human Trafficking, Employee Occupational Health and Safety, Policy on freedom of Association and Policy for Resolution of Sexual Harassment.

PRINCIPLE 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized-

ISGEC respects the interest of all its stakeholders and gives equal opportunity to the disadvantaged, vulnerable and marginalized based on health, gender, or age.

PRINCIPLE 5:

Businesses should respect and promote human rights -

ISGEC respects & promotes human rights. It has adopted Policy on Freedom of Association & Policy against Discrimination.

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

PRINCIPLE 6:

Business should respect, protect, and make efforts to restore the environment -

ISGEC continuously makes efforts to restore the environment & introduce recurring reforms & innovations. It has adopted an Environmental Sustainability Policy.

PRINCIPLE 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner -

ISGEC discharges its responsibility by influencing public & regulatory policy. Some of the key trade & industry associations of which ISGEC is member are:

- The Confederation of Indian Industry,
- PHD Chamber of Commerce and Industry,
- Federation of Indian Chambers of Commerce and Industry and
- Yamunanagar - Jagadhri Chamber of Commerce.

PRINCIPLE 8 :

Businesses should support inclusive growth and equitable development –

ISGEC ensures a policy of fair wages to its employees in accordance with the laws of the land including guidelines laid down by The Factories Act & The State Labour Department. Welfare policies exist to support free expression, respectable norms of behavior by all employees & equitable development of social & family ties.

PRINCIPLE 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner –

ISGEC ensures a healthy relationship between workers & staff. Day to day issues are solved by discussion across the table. Systems for transparent communication between the employees exist. Collective bargaining methods are adopted to resolve salary & wage issues between workers and management.

In large measure, since ISGEC deals with International & National customers, our company follows policies that are consistent with international norms of conduct in the industrial space.

Principle 1

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

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

   This covers all group companies including Joint Venture Companies.

3. **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.**

   No complaint from any shareholder was received during the year.

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.

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. Thus, 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 it's Iron Foundry and Steel Casting Unit.

Principle 3

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

   Total number of employees as on 31st March 2021 was 3,168.

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

   Out of the total Employees 370 were on contractual basis.

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

   The number of women employees as on 31st March 2021 was 61.

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

   Number of permanent employees with disabilities as on 31st March 2021 was 1.

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?**

   21% (612 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 :
(b) Permanent Women Employees :
(c) Casual/Temporary/Contractual Employees :
(d) Employees with Disabilities

= 59.34%

9. **3 persons** (visually impaired) working on Contractual Role.

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes.

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

Yes, in the category of Employees, 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 upgradation and quality assurance skills. Further, small vendors and contractors, if need be financial assistance in the form of advance is given.

Principle 5

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

The policy 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 complying 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 better the legal environment norms set by the Government in relation to Emission, Water and Energy Efficiency. Company is also ISO 14000 certified by Lloyds for Environment Management Systems. 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 alive to the possibility of environmental risk due to discharge of waste water. Company and it's subsidiaries ensure waste water treatment, recycling and reuse.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   No.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   Yes. Company gets periodic energy audits done. Company's Green Energy Boiler division manufactures and supplies equipment for generation of energy using biomass and green waste. Company has also installed rooftop solar power plant for 1,750 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 ₹ 306.42 lakhs on Corporate Social Responsibility. The balance amount of ₹ 101.12 Lakhs 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 current year.

DIVIDEND DISTRIBUTION POLICY

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

1. **Objective:** The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

   The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue paying dividends in future as well, quantum of which shall be decided by the Board considering the available distributable profits.

2. **Circumstances under which the shareholders of the listed entities may or may not expect dividend:**

   The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

   The dividend for any financial year shall normally be paid out of the Company's profit for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. The shareholders may expect dividend unless there is a loss or inadequate profit.

3. **Parameters for declaration of Dividend:**

   The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

   (i) Consolidated and Standalone profit after tax and net operating profit aftertax;

   (ii) Distributable surplus after transfer to Reserves in the opinion of the Board and as required under the Act and Regulations from time to time;

   (iii) Stipulations/ Covenants of agreements for loans/ bank facilities.

   (iv) Working capital requirements;

   (v) Capital expenditure requirements;

   (vi) Investment opportunities;

   (vii) Resources required to fund acquisitions and / or new businesses;

   (viii) Diversification of business, expansion/ modernization plans, long term strategic plans;

   (ix) Cash flow required to meet contingencies;

   (x) Earnings outlook for next three to five years; and

   (xi) Any other relevant factors and material events;

   The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

   (i) Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates;

   (ii) Prevailing legal requirements, regulatory conditions under the applicable laws including tax laws;

   (iii) Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged;

   (iv) Cyclical nature of Industry to which the Company caters to;

   (v) Interest rate; and

   (vi) Foreign exchange fluctuations.

4. **Policy as to how the retained earnings shall be utilized:**

   The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and its shareholders. Given below is a list of purposes for which retained earnings shall be utilized:

(i) To meet the Working Capital/ Business needs of the Company;

(ii) For the purpose of generating higher returns for the shareholders or for any other specific purpose;

(iii) Issue of fully paid-up Bonus shares;

(iv) Declaration of Dividend- Interim or Final;

(v) Buyback of shares subject to applicable limits;

(vi) Any other permitted use.

5. Parameters that shall be adopted with regard to various classes of shares:

The Company currently has only one class of shares, viz. equity, for which this Policy is applicable. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

6. Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the said regulations shall prevail.

7. Amendments

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.

SECRETARIAL AUDIT REPORT OF SARASWATI SUGAR MILLS LIMITED, UNLISTED MATERIAL SUBSIDIARY COMPANY

for the financial year ended March 31, 2021

(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, 2021

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

To,
The Members,
Saraswati Sugar Mills Limited
(CIN: U01115HR2000PLC034519)
Radaur Saharanpur Road,
Yamuna Nagar-135001 Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of Saraswati Sugar Mills Limited (**"The Company"**) for the year ended 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter.

We have examined the books, minute books, forms and returns filed and other records made available to us and maintained by Company for the financial year ended on 31st March, 2021 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.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that:

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

Adequate notices are given to all Directors to schedule the Board / Committee 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.

All the decisions at the Board and Committees Meetings, as represented by the management, were carried with the requisite majority.

We further report, 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.

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

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.

Further, we have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

Pramod Kothari
Proprietor
FCS No: 7091 CP No: 11532
UDIN: F007091C000337652

Noida
May 17, 2021

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, 2021, 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, 2021, 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 56 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	**Revenue recognition for construction contracts** The Company's significant portion of business is undertaken through construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, "Revenue from Contracts with Customers". Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs. The determination of revenues and margin relating to construction contracts depends on total cost at completion estimated by the management. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development during the progress of projects. This method involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts. Refer Note 2.4 to the standalone Ind AS financial statements.	**Principal Audit Procedures** In the context of our work, the procedures set up in terms of contribution to revenues of construction contracts consisted of : • Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. • Performing 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. • Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and verified the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts. • Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required. • Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the standalone Ind AS financial statements

INFORMATION OTHER THAN THE STANDALONE IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, which forms a part of this report, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

    (c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 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 2021 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) As required by Rule 11 of the Companies (Audit and Auditors) Rules, 2014 issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Act, in our opinion and to the best of our information and according to the explanation given to us:

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

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

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

3. 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, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN:21087010AAAADI9757

Place: Noida
Dated: June 28, 2021

Annexure - A To The Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2021, we report that:

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

(b) According to the information and explanations given to us, fixed assets verification has been conducted by the management during the year. All the fixed assets 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 fixed assets. No material discrepancies were noticed on such verification..

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

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

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. The Company during the year and in earlier year has granted unsecured loan to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion and according to the information and explanations given to us, the terms and conditions of unsecured loans given by the Company during the year are not prima facie prejudicial to the interest of the Company.

(b) As explained to us and as per records, the schedule of repayment of principal and payment interest has been stipulated and no repayment of principal and payment of interest was due during the year, as per terms and conditions of loans given during the year and in earlier years.

(c) As per information and explanations given to us, and as per our examination of records, since no re-payment of principal and payment of interest was due during the year, therefore no amount of principal or interest was overdue at the year end.

iv. In our opinion and according to the information and explanations given to us, 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 the information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits from public covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. 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, 2013, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Services Tax, Income-tax, Sales-tax, Service tax, Value Added Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services Tax, Income-tax, Sales-tax, Service tax, Value Added Tax, Customs Duty, Excise Duty, cess and other material statutory dues were outstanding, as on 31st March, 2021 for a period of more than six months from the date they became payable.

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

Name Of the Statute	Nature of 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	15.03	15.03	2016-17	Assistant Commissioner (Yamunanagar)
Central Excise Act	Excise Duty	21.67	21.67	2017-18	Additional Commissioner (A) Panchkula
Central Excise Act	Excise Duty	7.18	7.18	2017-18	Superintendent CGST Division
Central Excise Act	Excise Duty	5.55	5.55	2019-20	Additional Commissioner Panchkula
Local Area Tax	Local Area Tax	22.00	22.00	2006-07 to 2015-16	Hon'ble Supreme Court of India
Water Cess	Water Cess	17.96	17.96	1992-93	Hon'ble Supreme Court of India
Goods and services tax act	Goods and services tax	2.62	-	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	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	9.02	9.02	1993-94	Sales Tax Tribunal, Orissa
Sales Tax Act	Sales Tax	17.00	17.00	1995-96	Sales Tax Tribunal, Orissa
Sales Tax Act	Sales Tax	5.00	5.00	1996-97	Sales Tax Tribunal, Orissa
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	87.48	87.48	2010-11	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	53.77	21.33	2013-14	High Court, Lukhnow
Sales Tax Act	Sales Tax	93.91	88.91	2014-15	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	110.31	110.31	2015-16	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	12.31	12.31	2015-16	Commercial Tax Tribunal
Sales Tax Act	Sales Tax	48.47	45.47	2016-17	Addl. Commissioner Grade-2 Appeals
Sales Tax Act	Sales Tax	8.19	8.19	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	68.62	68.62	2014-15	Joint Commissioner of SGST, Kochi
Sales Tax Act	Sales Tax	1.28	0.93	2015-16	Excise & Tax Officer, Punjab
Sales Tax Act	Sales Tax	2.61	1.96	2015-16	Excise & Tax Officer, Punjab
Sales Tax Act	Sales Tax	3.54	2.66	2015-16	Excise & Tax Officer, Punjab
Sales Tax Act	Sales Tax	21.67	17.53	2013-14	Dy. Commissioner of Sales Tax, Mumbai
Sales Tax Act	Sales Tax	71.06	70.44	2015-16	Dy. Commissioner of Sales Tax, Mumbai

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
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	44.13	30.89	2015-16	Joint Commissioner, Appeal
Sales Tax Act	Sales Tax	6.00	6.00	1971-73	Commissioner Sales Tax, Lucknow
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	100.54	100.54	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. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank or government. The Company has not issued any debentures.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.

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

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

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

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

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.

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

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN:21087010AAAADI9757

Place: Noida
Dated: June 28, 2021

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, 2021)

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 2021 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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN:21087010AAAADI9757

Place: Noida
Dated: June 28, 2021

Balance Sheet

as at March 31, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	42,837.09	45,207.45
(b) Right-of-use assets	4	3,412.57	3,802.23
(c) Capital work - in - progress		863.29	765.66
(d) Intangible assets	5	2,011.78	2,850.97
(e) Financial assets			
(i) Investments	6	16,929.69	16,929.69
(ii) Loans	7	5,005.02	3,081.40
(iii) Trade receivables	8	15,855.25	9,199.76
(iv) Other financial assets	9	593.74	1,523.08
(f) Deferred tax assets (net)	25	1,398.29	915.22
(g) Other non - current assets	10	127.99	249.03
Total non-current assets		**89,034.71**	**84,524.49**
(2) Current assets			
(a) Inventories	11	47,566.98	51,105.26
(b) Financial assets			
(i) Investments	12	4,332.17	8,198.83
(ii) Trade receivables	13	235,936.26	199,043.54
(iii) Cash and cash equivalents	14	10,665.41	12,735.86
(iv) Bank balances other than (iii) above	15	1,440.45	819.89
(v) Loans	16	2,249.98	1,894.76
(vi) Other financial assets	17	535.49	1,405.24
(c) Current tax assets (net)	18	-	217.91
(d) Other current assets	19	86,970.00	83,382.16
Total current assets		**389,696.74**	**358,803.45**
Total assets		**478,731.45**	**443,327.94**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	20	735.29	735.29
(b) Other Equity	21	166,723.43	146,315.63
Total equity		**167,458.72**	**147,050.92**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	8,738.55	92.16
(ii) Lease liabilities		720.91	1,009.70
(iii) Other financial liabilities	23	88.04	128.27
(b) Provisions	24	5,071.29	6,140.08
(c) Other non - current liabilities	26	22,801.09	17,520.80
Total non-current liabilities		**37,419.88**	**24,891.01**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	8,617.50	34,003.94
(ii) Lease liabilities		296.68	252.79
(iii) Trade payables	28		
a) Total outstanding dues of micro enterprises and small Enterprises		8,864.86	1,574.61
b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		136,279.26	120,910.77
(iv) Other financial liabilities	29	5,864.92	7,724.43
(b) Other current liabilities	30	97,923.75	95,467.80
(c) Provisions	31	15,321.56	11,451.67
(d) Current tax liabilities (net)	18	684.32	-
Total current liabilities		**273,852.85**	**271,386.01**
Total equity & liabilities		**478,731.45**	**443,327.94**

The accompanying notes from 1 to 57 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
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021

Statement of Profit and Loss
for the year ended March 31, 2021

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	32	430,960.60	489,370.87
II	Other income	33	3,560.96	1,858.09
III	**Total income (I + II)**		**434,521.56**	**491,228.96**
IV	**Expenses**			
	Cost of materials consumed	34	51,343.99	63,194.90
	Purchases of Stock-in-Trade	35	193,647.89	211,489.79
	Erection & commissioning expenses		62,579.49	77,208.41
	Changes in inventories of finished goods, Stock - in - Trade and work - in - progress	36	9,077.77	4,328.48
	Employee benefits expense	37	27,930.74	31,331.05
	Finance costs	38	2,275.32	1,587.35
	Depreciation and amortization expense	39	6,783.85	7,370.63
	Other expenses	40	52,428.81	73,971.78
	Total expenses (IV)		**406,067.86**	**470,482.39**
V	**Profit before tax (III - IV)**		**28,453.70**	**20,746.57**
VI	**Tax expense**	41		
	(1) Current tax		7,132.39	5,703.74
	(2) Deferred tax		(501.70)	(266.69)
	Total tax expenses		**6,630.69**	**5,437.05**
VII	**Profit for the year (V - VI)**		**21,823.01**	**15,309.52**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment benefit obligations		74.01	16.84
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(18.63)	10.66
	Total other comprehensive income		**55.38**	**27.50**
IX	**Total comprehensive income (VII + VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**21,878.39**	**15,337.02**
X	**Earnings per equity share of ₹ 1/- each**	42		
	Basic (₹)		29.68	20.82
	Diluted (₹)		29.68	20.82

The accompanying notes from 1 to 57 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
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021

Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flow from operating activities		
Profit before tax	28,453.70	20,746.57
Adjustments for :		
Depreciation and amortisation expenses	6,783.85	7,370.63
(Gain) / Loss on disposal of property, plant and equipment	(78.65)	11.76
Liability no longer required written back	(271.11)	(211.01)
Adjustment of expected credit loss	713.87	24.73
Finance Income	(513.49)	(529.14)
Finance costs	2,275.32	1,587.35
Income From investment-Dividends	(2,537.04)	(482.83)
(Gain) / Loss on sale of financial instruments (investment)	(38.84)	(302.34)
Change in fair value of financial instrument (investment)	(4.56)	(242.65)
Adjustment due to discounting in warranty provision	132.55	74.86
Unrealised (gain) / loss on foreign currency translation	**1,607.25**	**(3,528.36)**
Operating profit before working capital adjustments	**36,522.85**	**24,519.57**
Working capital adjustments		
(Increase) / Decrease in trade receivables	(46,093.78)	(20,316.80)
(Increase) / Decrease in other receivables	(4,356.88)	(4,638.06)
(Increase) / Decrease in inventories	3,538.28	10,008.05
Increase / (Decrease) in trade and other payables	29,012.24	(23,965.42)
Increase / (Decrease) in payables and provisions	**2,742.56**	**1,845.01**
Cash generated from operations	**21,365.27**	**(12,547.65)**
Income Tax paid (net of refund)	(6,230.16)	(6,528.26)
Net cash flow from / (used in) operating activities	**15,135.11**	**(19,075.91)**
B Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	308.70	80.23
Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(3,517.15)	(6,699.32)
Sale / (Purchase) of equity shares / mutual funds	3,910.06	7,886.86
Interest received	390.75	535.64
Dividend received	2,537.04	482.83
Net cash flow from / (used in) investing activities	**3,629.40**	**2,286.24**

Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C Cash flow from financing activities		
Dividend paid on equity shares	(1,475.30)	(2,572.64)
Dividend Tax paid	-	(429.82)
Payment of lease liabilities	(335.18)	(329.48)
Finance cost	(2,284.43)	(1,364.75)
Proceeds from long term borrowings	11,169.50	132.46
Repayment of long term borrowings	(23.11)	(12.49)
Proceeds / (repayment) from short term borrowings (net)	(27,886.44)	26,505.56
Net cash flow from / (used in) financing activities	**(20,834.96)**	**21,928.84**
Net increase in cash and cash equivalents (A+B+C)	**(2,070.45)**	**5,139.17**
Cash and cash equivalents at the begining of the year	**12,735.86**	**7,596.69**
Cash and cash equivalents at the end of the year	10,665.41	12,735.86
Components of cash and cash equivalents		
Cash, cheques and drafts on hand	11.82	11.19
Balance with scheduled banks	10,653.59	12,724.67
Cash and cash equivalents	**10,665.41**	**12,735.86**

Notes:

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

2 Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance as on April 1	34,096.10	7,470.57
Non-cash changes due to		
- Interest expense	-	-
- Others	-	-
Cash flows during the year	(16,740.05)	26,625.53
Closing balance as on March 31	**17,356.05**	**34,096.10**

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

CA Abhinav Khosla
Partner
M. No.: 087010

Place : Noida
Dated : June 28, 2021

Sanjay Kumar
General Manager

Kishore Chatnani
Chief Financial Officer

For & on behalf of the Board of Directors

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

Aditya Puri
Managing Director
DIN: 00052534

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Statement of Changes in Equity
for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

As at April 1, 2019	Changes during the year	As at March 31, 2020	Changes during the year	As at March 31, 2021
735.29	-	735.29	-	735.29

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and surplus					Items of other comprehensive income (remeasurement of post employment benefit obligation)	Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 1, 2019	**0.01**	**450.22**	**3.24**	**17,439.54**	**115,991.19**	**97.76**	**133,981.96**
Profit for the year	-	-	-	-	15,309.52	-	15,309.52
Other comprehensive income	-	-	-	-	-	27.50	27.50
Final dividend paid for the year ended March 31, 2019	-	-	-	-	(1,102.94)	-	(1,102.94)
Interim dividend paid during the year ended March 31, 2020	-	-	-	-	(1,470.59)	-	(1,470.59)
Dividend distribution tax	-	-	-	-	(429.82)	-	(429.82)
Balance as at March 31, 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)
Dividend distribution tax	-	-	-	-	-	-	-
Balance as at March 31, 2021	**0.01**	**450.22**	**3.24**	**17,439.54**	**148,649.78**	**180.64**	**166,723.43**

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
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021

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 equipments, mechanical and hydraulic presses, alloy steel, 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 June 28, 2021.

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 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.

Notes to Financial Statements

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 (ECL) 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 Expected Credit Loss (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. 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

Notes to Financial Statements

The Company classifies all other liabilities as non-current.

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

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

2.4 Revenue Recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services 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 (goods or services) to a customer is done over time and in other cases, performance obligation is satisfied at a point of 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. 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.

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

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

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 as per the terms of the contract.

Notes to Financial Statements

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

2.6 Property, Plant & Equipment (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 capitalised 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.

Notes to 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 the end of each financial year end and adjusted prospectively.

2.7 Intangible Assets

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

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

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

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

2.8 Depreciation and Amortisation

Depreciation is provided on property, plant & equipment in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method except in respect of certain plant & machinery which are depreciated as per straight line method. Assets costing not more than ₹ 5,000/- are fully depreciated in the year of their acquisition.

Intangible assets are amortised over a period not exceeding ten years on a straight line method.

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

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

2.9 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 property, plant and equipment (PPE) are no longer amortised 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.

Notes to Financial Statements

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. 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 amortisation 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 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 unrecognised actuarial gains or losses and past service costs. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognised in other comprehensive income.

(iii) Leave Encashment

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

(iv) Retirement Benefits

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

Notes to Financial Statements

(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 recognised 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 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 capitalised 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 (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised 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 recognised under prepayments and trade and other payables, respectively.

Effective April 1, 2019, the Company has adopted Ind AS 116, "Leases". As a result, the Company has changed its accounting policy for accounting of leasing arrangements, which has been detailed below.

The Company applied the "Modified Retrospective Approach" on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The most significant effects of this new standard on the Company relate to the recognition of new right-of-use ("ROU") assets and lease liabilities on its financial position for various operating leases.

In the statement of financial position, lease liability is included under financial liability and ROU assets is included in non-current assets 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 recognises 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 recognises 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.

Notes to Financial Statements

The ROU assets are initially recognised 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 recognised 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.

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 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 utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 recognised in other comprehensive income is recognised in other comprehensive income.

Notes to Financial Statements

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 capitalised 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 recognised 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 recognised 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 recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when 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 recognised 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 authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised 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.

Notes to Financial Statements

Initial Recognition

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

Subsequent Measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortised cost

A debt instrument is subsequently measured at amortised 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 amortised 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 Poss.

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.

Notes to Financial Statements

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised 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.

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 recognises 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 recognised as an impairment gain or loss in profit or loss.

2.22 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to expenses are deducted in reporting the related expense.

2.23 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.

Notes to Financial Statements

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 recognising 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.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and 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 standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to Financial Statements

NOTE 3 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value								
As at March 31, 2019	9,785.39	2,216.28	18,195.57	33,380.12	988.93	1,243.14	2,497.38	68,306.81
Additions	-	-	1,396.64	3,743.45	60.68	340.59	604.04	6,145.40
Disposals	-	-	10.87	105.66	0.55	92.23	27.08	236.39
Reclassified on account of adoption of Ind AS 116	-	(2,216.28)	-	-	-	-	-	(2,216.28)
As at March 31, 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**
Accumulated depreciation								
As at March 31, 2019	-	291.72	4,393.72	13,798.16	666.17	619.63	1,621.18	21,390.58
Charge for the year	-	-	1,257.00	3,797.42	82.65	246.55	454.01	5,837.63
Disposals	-	-	-	62.67	0.04	66.55	15.14	144.40
Reclassified on account of adoption of Ind AS 116	-	(291.72)	-	-	-	-	-	(291.72)
As at March 31, 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**
Net carrying value								
As at March 31, 2020	9,785.39	-	13,930.62	19,485.00	300.28	691.87	1,014.29	45,207.45
As at March 31, 2021	**9,785.39**	**-**	**13,021.59**	**18,348.30**	**238.91**	**450.21**	**992.69**	**42,837.09**

Notes:

(i) Contractual commitment towards purchase of property, plant and equipment, refer note - 45.

(ii) Borrowing cost capitalized during the year is nil.

(iii) The Company had adopted deemed cost exemption i.e. to continue with the carry value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per previous GAAP, as per Para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' on transition to Ind AS. Accordingly, carrying value of all of its property, plant and equipment as on transition date i.e. 1st April, 2015 was deemed as gross block as on that date with accumulated depreciation as Nil. During the previous year ended March 31, 2020, the Company has restated its gross block of property, plant and equipment as on March 31, 2017, March 31, 2018 and March 31, 2019 with corresponding adjustment in accumulated depreciation, to give effect to the exemption cited above which the Company had adopted on transition to Ind AS. This restatement as stated above, has no impact on net block of property, plant and equipment for the aforesaid years.

(iv) A part of leasehold land, building and plant situated at Dahej, Gujarat has been leased out to group company Isgec Hitachi Zosen Limited for operation of its business.

The details of the assets lease out is given below:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value	13,527.25	13,533.09
Accumulated depreciation	10,975.74	10,566.16
Net carrying value	2,551.51	2,966.93

Notes to Financial Statements

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in lakhs)

Particulars	Category of Right of Use asset Land (Leasehold)	Buildings	Total
Gross carrying value			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	2,216.28	1,300.45	3,516.73
Additions	736.07	218.47	954.54
Deletions	-	-	-
As at March 31, 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**
Accumulated depreciation			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	291.72	-	291.72
Charge for the year	75.91	301.41	377.32
Deletions	-	-	-
As at March 31, 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**
Net carrying value			
As at March 31, 2020	**2,584.72**	**1,217.51**	**3,802.23**
As at March 31, 2021	**2,502.98**	**909.59**	**3,412.57**

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Technical know how	Total
Gross carrying value			
As at March 31, 2019	2,020.67	6,107.24	8,127.91
Additions	174.88	-	174.88
Disposals	-	-	-
As at March 31, 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**
Accumulated amortisation			
As at March 31, 2019	1,428.49	2,867.65	4,296.14
Charge for the year	292.56	863.12	1,155.68
Disposals	-	-	-
As at March 31, 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**
As at March 31, 2020	**474.50**	**2,376.47**	**2,850.97**
As at March 31, 2021	**348.08**	**1,663.70**	**2,011.78**

Notes to Financial Statements

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021			As at March 31, 2020		
	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	CAD1	4,500,000	2,643.05	CAD1	4,500,000	2,643.05
Isgec Investments PTE Ltd, Singapore	SGD1	10,000	5.20	SGD1	10,000	5.20
Total			**16,929.69**			**16,929.69**
Aggregate amount of quoted investments			-			-
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, 2021	As at March 31, 2020
Loans receivables considered good - Secured		
- Loans to employees	187.50	276.73
Loans receivables considered good - Unsecured		
- Loan to subsidiary company	4,329.65	1,910.64
- Security deposit *	805.62	780.52
- Loans to employees	31.25	113.51
- Allowance for expected credit losses	(349.00)	-
Total	**5,005.02**	**3,081.40**

* includes balances with related parties (refer note 49)

Notes to Financial Statements

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	15,855.25	9,199.76
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Allowance for expected credit losses	-	-
Total	**15,855.25**	**9,199.76**

NOTE 9 : NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve months	570.10	1,469.05
Interest accrued but not due on deposits	23.64	54.03
Total	**593.74**	**1,523.08**

NOTE 10 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances recoverable other than in cash		
Considered good - Unsecured		
Capital advances	69.74	123.76
Prepayments	58.25	125.27
Total	**127.99**	**249.03**

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials		
Raw materials	11,746.10	13,503.31
Raw materials in transit	1,699.03	180.14
Work - in - progress		
Engineering goods	20,586.09	29,692.43
Ingots and steel castings	2,612.17	2,583.60
Stock-in-trade		
Goods in transit	8,296.82	1,518.72
Goods at warehouse	598.08	480.37
Stores and spares	1,973.99	2,424.57
Stores & spares in transit	-	657.06
Loose tools	54.70	65.06
Total	**47,566.98**	**51,105.26**

Notes to Financial Statements

NOTE 12 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	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				
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	-	-	5,000,000	620.30
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	-	-	5,000,000	622.33
PGIM India Fixed Duration Fund - Series AB - Direct Plan - Growth	-	-	50,000	624.90
PGIM India Fixed Duration Fund - Series AE - Direct Plan - Growth	-	-	50,000	622.80
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	-	-	8,000,000	994.19
Nippon India Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	-	-	10,000,000	1,105.90
SBI Dual Advantage Fund-Series XIX-Regular-Growth	-	-	1,000,000	118.61
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	-	-	5,000,000	616.39
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	-	-	5,000,000	620.05
SBI Overnight Fund - Regular - Growth	63,268	2,100.08	-	-
		2,100.08		**5,945.47**
b) Other investments				
-Unquoted				
Annuities in senior Secured Estate Transactions II Fund-Essel Finance		196.14		195.86
ASK Real Estate Special Opportunities Fund		622.50		605.76
ASK Real Estate Special Situations Fund		196.95		83.39
Edelweiss Real Estate Opportunities Fund (EROF)		109.02		176.16
Investcorp Score Fund		155.71		160.07
India Whizdom Fund		8.02		70.81
Indiabulls High Yield Fund		209.57		213.76
Indiabulls Dual Advantage Commercial Asset Fund		501.26		375.00
Nippon India Yield Maximiser Fund Scheme-I		32.19		59.70
Nippon India Yield Maximiser Scheme-III		200.73		312.85
		2,232.09		**2,253.36**
Total current investments (a + b)		**4,332.17**		**8,198.83**
Aggregate value of investments :				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments (accounted based on NAV)		4,332.17		8,198.83
Aggregate amount of impairment in value of investments		-		-

Notes to Financial Statements

NOTE 13 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured *	238,010.17	200,752.59
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Allowance for expected credit losses	(2,073.91)	(1,709.05)
Total	**235,936.26**	**199,043.54**

* includes balances with related parties (refer note 49)

NOTE 14 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	10,653.59	12,724.67
Cheques and drafts on hand	0.39	-
Cash on hand	11.43	11.19
Total	**10,665.41**	**12,735.86**

NOTE 15 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks:		
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	1,317.37	692.10
Earmarked - Unclaimed dividend accounts	123.08	127.79
Total	**1,440.45**	**819.89**

NOTE 16 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans receivables considered good - Secured		
Loans to employees	76.27	101.03
Security deposits	37.11	54.00
Interest accrued on security deposits	7.76	10.42
Loans receivables considered good - Unsecured		
Advances to employees	706.09	676.11
Security deposits	1,195.42	902.28
Other loans	29.04	86.21
Interest accrued on security deposits	12.23	11.93
Interest accrued but not due on loan to subsidiary company	186.06	52.78
Total	**2,249.98**	**1,894.76**

Notes to Financial Statements

NOTE 17 : CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Derivatives		
Foreign exchange forward contract receivables	302.69	1,295.18
Others		
Interest accrued on fixed deposits	232.80	110.06
Total	**535.49**	**1,405.24**

NOTE 18 : CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Income Taxes	6,619.27	6,580.18
Less: Provisions for income tax	7,303.59	6,362.27
Total	**(684.32)**	**217.91**

NOTE 19 : OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances		
Advances to suppliers *	43,810.74	48,440.12
Others		
Unbilled revenue	33,529.11	23,270.87
Prepayments	949.44	1,076.71
Balance with government authorities	6,882.85	7,676.04
Export Incentive receivable	1,571.22	2,584.87
Others	226.64	333.55
Total	**86,970.00**	**83,382.16**

* includes balances with related parties (refer note 49)

NOTE 20 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	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.

Notes to Financial Statements

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	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

(c) Detail of shares held by each shareholder holding more than 5% of total number of equity shares:

Particulars	As at March 31, 2021		As at March 31, 2020	
	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%	33,034,904	44.93%
(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%

NOTE 21 : OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(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, 2021	As at March 31, 2020
(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	128,422.62	116,088.95
Add: Net profit for the year	21,823.01	15,309.52
Add: Items of other comprehensive income recognised directly in retained earnings		
-Remeasurement of post employment benefit obligation (net of tax)	55.38	27.50
(refer note 21.1)		
Less: Appropriations		
- Dividend for the year ended March 31, 2020 @ ₹ NIL per share of ₹ 1 each	-	1,102.94
(for the year ended March 31, 2019 @ ₹ 1.50 per share of ₹ 1 each)		
- Interim Dividend during the year ended March 31, 2021 @ ₹ 2/- per share of ₹ 1 each	1,470.59	1,470.59
(during the year ended March 31, 2020 @ ₹ 2/- per share of ₹ 1 each)		
- Dividend distribution tax	-	429.82
Balance outstanding at the end of the year	148,830.42	128,422.62
Total	**166,723.43**	**146,315.63**

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.

Retained Earnings

This comprise company's undistributed profit after taxes.

Notes to Financial Statements

NOTE 22 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term loan from bank (refer note 22.1)	8,738.55	92.16
Total	**8,738.55**	**92.16**

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, 2021	11,169.50	2,500.00	8,669.50	5.45%	11,169.50	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, 2020	-	-	-				
As at March 31, 2021	96.86	27.81	69.05	8.90% to 9.20%	132.46	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, 2020	119.97	27.81	92.16				

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit under car loan scheme	80.19	117.11
Security deposit	7.85	11.16
Total	**88.04**	**128.27**

NOTE 24 : LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
-Leave encashment	1,958.12	2,144.03
-Pension provision	843.11	898.02
	2,801.23	**3,042.05**
Provision for warranty (refer note 24.1 and 24.2)	2,270.06	3,098.03
Total	**5,071.29**	**6,140.08**

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.

Notes to Financial Statements

Note 24.2 : Movement of provision for warranty

(₹ in lakhs)

Particulars	2020-21	2019-20
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	13,765.48	12,204.35
Additional provision made during the year	4,948.79	4,439.79
Amount used during the year	(889.47)	(2,400.06)
Amount reversed during the year	(1,075.82)	(553.46)
Adjustment due to discounting	132.55	74.86
Carrying amount at the end of the year	16,881.53	13,765.48
Break up of Carrying amount at the end of the year		
Long term provisions	2,270.06	3,098.03
Short term provisions (refer note 31)	14,611.47	10,667.45

NOTE 25 : DEFERRED TAX

25.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits deductible in future years	795.17	852.72
Property, plant and equipment	(22.72)	(292.42)
Right of use assets	27.18	11.32
Provision for expected credit losses - Trade receivables	521.96	430.13
Provision for expected credit losses - Loan to subsidiaries	87.84	-
Fair valuation of investments	(15.57)	(147.46)
Fair valuation of security deposits	4.43	8.07
Others	-	52.86
Net deferred tax (Liabilities) / Assets	**1,398.29**	**915.22**

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, 2019	**1,217.58**	**(916.11)**	**-**	**588.57**	**-**	**(250.13)**	**(2.04)**	**-**	**637.87**
(Charged)/Credited:-									
-to profit & loss	(375.52)	623.69	11.32	(158.44)	-	102.67	10.11	52.86	266.69
-to other comprehensive income	10.66	-	-	-	-	-	-	-	10.66
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, 2021	**795.17**	**(22.72)**	**27.18**	**521.96**	**87.84**	**(15.57)**	**4.43**	**-**	**1,398.29**

Notes to Financial Statements

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	22,801.09	17,520.80
Total	**22,801.09**	**17,520.80**

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans repayable on demand		
Secured		
From banks		
Working capital demand loan (refer note 27.1 and 27.2)	1,000.00	24,505.46
Cash credit accounts (refer note 27.1 and 27.2)	642.50	611.12
Packing credit loans from banks (refer note 27.1 and 27.3)		
In Indian rupees	6,975.00	8,887.36
Total	**8,617.50**	**34,003.94**

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 varied from 7.10% to 9.55% during the above periods.

Note: 27.3 Average rate of interest on Packing Credit Loans from Banks:

Particulars	As at March 31, 2021	As at March 31, 2020
In Indian rupees	5.88%	8.08%

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Micro, Small and Medium Enterprises (refer note 28.1)	8,864.86	1,574.61
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises *	136,279.26	120,910.77
Total	**145,144.12**	**122,485.38**

* 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:

Notes to Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
- principal	8,864.86	1,574.61
- interest	16.04	9.54
(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	-	10.41
(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 29 : CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt (refer note 22.1)	2,527.81	27.81
Unclaimed dividends	123.08	127.79
Interest accrued but not due on borrowings	30.19	134.39
Security deposits received	131.71	170.78
Payable to employees	1,468.38	2,629.83
Foreign exchange forward contract payable	302.69	1,295.18
Capital creditors	261.61	376.82
Managerial / directors remuneration payable *	624.76	2,281.18
Expense payable	373.24	539.30
Other payables	21.45	141.35
Total	**5,864.92**	**7,724.43**

* includes balances with related parties (refer note 49)

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	51,685.78	58,619.07
Unearned revenue	39,749.74	33,057.48
Statutory dues payable	4,104.87	1,476.56
Government grant	19.43	106.89
Other payables	2,363.93	2,207.80
Total	**97,923.75**	**95,467.80**

Notes to Financial Statements

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
-Leave encashment	193.16	219.13
-Gratuity (refer note 37)	250.74	437.76
-Pension provision	165.07	126.95
-Superannuation	-	0.38
	608.97	**784.22**
Provision for CSR (refer note 40.1)	101.12	-
Provision for warranty (refer note 24.1 and 24.2)	14,611.47	10,667.45
Total	**15,321.56**	**11,451.67**

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	373,864.23	411,605.95
Erection, commissioning and related services	45,352.08	62,515.43
Other operating revenue (refer note 32.1)	11,744.29	15,249.49
Total	**430,960.60**	**489,370.87**

Note 32.1 : Other operating revenues

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Export incentives	2,548.77	5,705.69
Packing receipts	1.71	9.08
Unclaimed balances / liabilities no longer required written back	271.11	211.01
Foreign exchange fluctuations	2,807.73	3,963.89
Fair value gain on derivatives	1,556.16	1,140.44
Sale of scrap and waste	1,614.99	1,284.75
Lease rent receipts {refer note 46 (B)}	2,935.00	2,895.23
Miscellaneous income	8.82	39.40
Total	**11,744.29**	**15,249.49**

NOTE 33 : OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income		
On loans to subsidiary companies	158.53	177.88
On bank deposits	167.49	193.45
On other deposits and investments	180.19	151.17
On financial assets measured at amortised cost	7.28	6.64
Total	**513.49**	**529.14**

Notes to Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(b) Dividend income on equity investments		
Subsidiary companies		
- Saraswati Sugar Mills Limited	2,307.47	355.00
- Isgec Hitachi Zosen Limited	204.00	76.50
- Isgec Titan Metal Fabricators Private Limited	25.50	25.50
- Isgec Foster Wheeler Boilers Private Limited	-	25.50
Other companies	0.07	0.33
Total	**2,537.04**	**482.83**
(c) Net gain on sale of investments	38.84	302.34
Total	**38.84**	**302.34**
(d) Other non operating income		
Profit on sale of property, plant and equipment	102.22	17.45
Insurance claim receipts	132.50	56.03
Insurance claim receipts against property, plant & equipment	-	81.50
Gain on investments carried at fair value through profit or loss	4.56	242.65
Miscellaneous income	232.31	146.15
Total	**471.59**	**543.78**
Grand Total	**3,560.96**	**1,858.09**

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw material consumed (refer note 34.1)	48,296.84	59,086.20
Store consumed	3,047.15	4,108.70
Total	**51,343.99**	**63,194.90**

Note 34.1 : Details of raw materials and components consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Iron and steel	10,755.14	14,022.29
Alloys	1,595.76	2,061.46
Components and M.S. scrap	35,945.94	43,002.45
Total	**48,296.84**	**59,086.20**

Notes to Financial Statements

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock-in-trade	193,271.07	210,308.24
Provision/(reversal) for foreseeable losses on construction contracts	376.82	1,181.55
Total	**193,647.89**	**211,489.79**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Work - in - progress	32,276.03	36,604.51
Total	**32,276.03**	**36,604.51**
Closing stock		
Work - in - Progress	23,198.26	32,276.03
Total	**23,198.26**	**32,276.03**
Changes in inventory	**9,077.77**	**4,328.48**

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	24,907.97	29,019.47
Contribution to provident & other funds	2,395.37	1,784.10
Staff welfare expenses	627.40	527.48
Total	**27,930.74**	**31,331.05**

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	2020-21	2019-20
Employees state insurance	8.33	12.90
Superannuation fund	47.80	52.15
National pension scheme	166.70	170.48
Labour welfare fund	7.29	7.96
Total	**230.12**	**243.49**

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)	
		2020-21	2019-20
i.	**Change in present value of obligation**		
a.	Present value of obligation at the beginning of the year	6,841.86	6,291.14
b.	Interest cost	465.25	481.90
c.	Current service cost	520.18	551.56
d.	Benefits paid	(964.72)	(401.10)
e.	Actuarial (gain) / loss	(266.13)	(81.64)
f.	Present value of obligation at the end of the year	6,596.44	6,841.86
ii.	**Change in the fair value of plan assets**		
a.	Fair value of plan assets at the beginning of the year	6,404.10	6,336.61
b.	Expected Interest Income	435.48	485.38
c.	Actuarial gain/(loss) for the year on asset	(192.12)	(64.81)
d.	Contributions	682.19	63.78
e.	Mortality, admin and FMC charges	(19.23)	(15.76)
f.	Benefits paid	(964.72)	(401.10)
g.	Fair value of plan assets at the end of the year	6,345.70	6,404.10
iii.	**Reconciliation of fair value of assets and obligations**		
a.	Fair value of plan assets at the end of the year	6,345.70	6,404.10
b.	Present value of obligation at the end of the year	6,596.44	6,841.86
c.	Amount recognised in the balance sheet	(250.74)	(437.76)
	- Current	(250.74)	(437.76)
iv.	**Expenses recognised in the statement of profit & loss**		
a.	Current service cost	520.18	551.56
b.	Interest cost	465.25	481.90
c.	Expected return on plan assets	(435.48)	(485.38)
d.	Expenses recognised in the profit & loss	549.95	548.08
v.	**Recognised in other comprehensive income for the year**		
a.	Net cumulative unrecognized actuarial gain/(loss) opening	(351.39)	(368.23)
b.	Actuarial gain/(loss) for the year on present benefit obligation	266.13	81.64
c.	Actuarial gain/(loss) for the year on assets	(192.12)	(64.80)
d.	Unrecognized actuarial gain/(loss) at the end of the year	(277.38)	(351.39)
vi.	**Actuarial assumptions**		
a.	Discount rate (per annum)	6.80%	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)	
	2020-21	2019-20
Defined benefit obligation	6,596.44	6,841.86
Plan assets	6,345.70	6,404.10
Surplus / (deficit)	(250.74)	(437.76)

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
a. Within next twelve months	824.37	1,081.10
b. Between one to five years	1,683.38	1,489.04
c. Between five to ten years	4,088.69	4,271.72

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	6,596.44	6,841.86
(i) Impact due to increase of 0.50%	(276.75)	(282.93)
(ii) Impact due to decrease of 0.50%	299.80	306.62
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	6,596.44	6,841.86
(i) Impact due to increase of 0.50%	299.21	306.02
(ii) Impact due to decrease of 0.50%	(278.76)	(284.98)

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)	
	2020-21	2019-20
Fund managed by insurer	100%	100%

Notes to Financial Statements

(g) Other long term employee benefits

Long term compensated absences - Leave salary

Principal assumptions for long term compensated absences

Particulars	As at March 31, 2021 Rate (%)	As at March 31, 2020 Rate (%)
a) Discount rate	6.80	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 (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

(i) Defined Benefits Plan : Provident fund

The Company during the year has treated 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, 2020: ₹ 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, 2021.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Discounting rate	6.80%	6.80%
Expected guaranteed interest rate	8.50%	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 ₹ 1483.06 lakhs for provident fund during the year ended March 31, 2021 (March 31, 2020: ₹ 1476.83 lakhs).

Notes to Financial Statements

NOTE 38 : FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest	1,782.89	1,271.56
Interest on lease liability	95.09	110.36
Other borrowing costs	397.34	205.43
Total	**2,275.32**	**1,587.35**

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property plant & equipment	5,544.74	5,837.63
Depreciation / amortization of right-of-use-assets	384.83	377.32
Amortization of intangible assets	854.28	1,155.68
Total	**6,783.85**	**7,370.63**

NOTE 40 : OTHER EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power & fuel	2,602.92	2,777.82
Other manufacturing expenses	12,862.14	17,539.94
Repairs & maintenance		
-Plant and machinery	814.00	1,014.39
-Building	451.24	475.56
-Others	83.39	116.37
Rent	535.75	412.47
Insurance	949.58	1,119.07
Rates and taxes	366.22	261.56
Commission to selling agents and others	664.62	3,447.62
Bank charges	1,258.18	1,750.73
Royalty	1,689.13	680.07
Electricity and water charges	479.02	525.93
Donation	1.18	4.12
Office and miscellaneous expenses	7,576.82	7,653.75
Legal and professional charges	282.16	4,581.60
Adjustment of expected credit loss	713.87	24.73
Payment to auditors		
-Statutory audit fees	18.00	18.00
-Other services including certification work	1.60	8.54
-For reimbursement of expenses	1.59	3.05
Packing, forwarding and transportation expenses	10,757.84	17,078.80
Design & technical expenses	5,016.26	5,450.35
Travelling expenses	2,526.16	4,991.91
Fair value loss on derivatives	1,556.16	1,140.44
Managerial remuneration	763.00	2,422.50
Non executive directors' remuneration / sitting fee	26.87	35.40
Corporate social responsibility (CSR) expenses (refer note 40.1)	407.54	407.85
Loss on property, plant and equipment sold / written off	23.57	29.21
Total	**52,428.81**	**73,971.78**

Notes to Financial Statements

NOTE 40.1: CORPORATE SOCIAL RESPONSIBILITY

a) Contribution during the year ended March 31, 2021

Gross amount required to be spent by the Company during the year is ₹ 391.39 lakhs. The Company was required to spend the sum of ₹ 16.15 lakhs for the F.Y. 2019-20 and ₹ 391.39 lakhs for the F.Y. 2020-21 totalling to ₹ 407.54 lakhs. An amount of ₹ 306.42 lakhs has been spent. The balance amount of ₹ 101.12 lakhs will be spent in the next year.

b) Amount spent during the year and payable as at March 31, 2021 :

(₹ in lakhs)

Particulars	Year ended March 31, 2021
CSR expense approved by the Board	407.54
Amount spent during the year	
(i) On construction / acquisition of any asset	-
(ii) On purposes other than (i) above	306.42
Amount transferred to the "Unspent CSR Account"	101.12

c) Details of related party transactions :

i) Contribution during the year ending March 31, 2021 - Nil (Previous year Nil)

ii) Payable as at March 31, 2021 - Nil (Previous year Nil)

NOTE 41 : TAX EXPENSE

A. Income tax expense

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Current tax		
Current tax on profit for the year	7,132.39	5,703.74
Adjustments for current tax of prior periods	-	-
Total current tax expense	**7,132.39**	**5,703.74**
(b) Deferred tax		
Decrease/(Increase) in deferred tax assets	(100.11)	459.67
(Decrease)/Increase in deferred tax liabilities	(401.59)	(726.36)
Total deferred tax expense	**(501.70)**	**(266.69)**
Total income tax expense	**6,630.69**	**5,437.05**

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:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before income tax	28,453.70	20,746.57
Statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	7,161.23	5,221.50
Additional deduction allowed in Income Tax Act for certain expenditure	(62.94)	-
Expenditure for which deduction is not allowed under Income Tax Act	121.33	157.84
Differential tax rate on fair value of investments	260.14	71.88
Differential tax rate on sale of investments	(180.35)	(157.79)
Tax on exempt income	(639.94)	(123.30)
Change in tax rate	-	263.33
Other deductions	(28.78)	3.59
Total	**6,630.69**	**5,437.05**

Notes to Financial Statements

NOTE 42 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Net profit available to equity shareholders (₹ in lakhs)	21,823.01	15,309.52
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 earnings per share (in ₹)	29.68	20.82
e) Diluted earnings per share (in ₹)	29.68	20.82

NOTE 43 : CONTINGENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities:		
(to the extend not provided for)		
a) Claims against the company not acknowledged as debts	2,331.52	1,660.28
b) Bonds executed in favour of President of India against Export Promotion Capital Goods License and Advance Authorisation and others *	19,451.04	16,686.72
* includes bonds given on behalf of subsidiary company Isgec Hitachi Zosen Ltd.	-	-

NOTE 44 : CORPORATE GUARANTEES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Corporate guarantees given to bank to secure credit facilities given to Isgec Hitachi Zosen Limited	31,292.69	21,962.65
b) Corporate guarantees given to bank to secure credit facilities given to Isgec Titan Metal Fabricators Private Limited	2,640.47	2,830.44
c) Corporate guarantees given to bank to secure credit facilities given to Isgec Redecam Enviro Solutions Private Limited	886.24	574.65

NOTE 45 : COMMITMENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	423.15	783.17

Notes to Financial Statements

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, 2021	Year ended March 31, 2020
a) Residential premises	122.12	95.40
b) Commercial premises	407.41	309.57
c) Plant and machinery	6.22	7.50
Total	**535.75**	**412.47**

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets		
Building	909.59	1,217.51
Land	2,502.98	2,584.72
Furniture, fittings and equipment	-	-
Total	**3,412.57**	**3,802.23**

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	296.68	252.79
Non-current	720.91	1,009.70
Total	**1,017.59**	**1,262.49**

The following is the movement in lease liabilities:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**1,262.49**	**-**
Additions	(4.81)	1,481.61
Finance cost accrued during the period	95.09	110.36
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Payment for leases	335.18	329.48
Translation difference	-	-
Balance at the end of the year	**1,017.59**	**1,262.49**

Notes to Financial Statements

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Less than one year	368.97	347.55
(ii) One to five years	720.27	1,081.81
(iii) More than five years	131.99	131.99
Total	**1,221.23**	**1,561.35**

The Company does not face 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 ₹ 535.75 lakhs for the year ended March 31, 2021 (Previous year ₹ 412.47 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, 2021	As at March 31, 2020
(i) Not later than one year	3,008.42	2,904.72
(ii) Later than one year and not later than five years	132.84	2,924.22
(iii) Later than five years	108.00	5.04
Total	**3,249.26**	**5,833.98**

NOTE 47 : SEGMENT INFORMATION

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

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.

Notes to Financial Statements

1 Segment Revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	91,589.14	22,095.67	113,684.81	99,771.93	24,568.34	124,340.27
Engineering, Procurement and Construction	339,259.19	976.54	340,235.73	389,570.78	168.05	389,738.83
Unallocated	112.27	-	112.27	28.16	-	28.16
Elimination	-	(23,072.21)	(23,072.21)	-	(24,736.39)	(24,736.39)
Segment Total	**430,960.60**	**-**	**430,960.60**	**489,370.87**	**-**	**489,370.87**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Manufacturing of Machinery & Equipment	13,734.48	9,038.59
Engineering, Procurement and Construction	17,024.40	15,044.08
Unallocated	(940.69)	(1,325.14)
Operating Profit Before Interest and Tax	**29,818.19**	**22,757.53**
Less: Interest Expense	(1,877.98)	(1,381.92)
Inter Segment Interest	-	(1,158.18)
Add: Interest Income	513.49	529.14
Profit Before Tax	**28,453.70**	**20,746.57**
Tax Expense	(6,630.69)	(5,437.05)
Profit after tax	**21,823.01**	**15,309.52**

3 Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Manufacturing of Machinery & Equipment	111,536.48	116,397.97	82,641.48	94,322.47
Engineering, Procurement and Construction	326,241.91	286,095.32	261,907.49	226,376.93
Unallocated Corporate Assets	86,880.69	101,825.42	12,651.39	36,568.39
Total	**524,659.08**	**504,318.71**	**357,200.36**	**357,267.79**
Less: Inter Segment Assets/Liabilities	(45,927.63)	(60,990.77)	(45,927.63)	(60,990.77)
Total	**478,731.45**	**443,327.94**	**311,272.73**	**296,277.02**

4 Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Manufacturing of Machinery & Equipment	1,800.69	4,866.48	5,376.08	5,972.08
Engineering, Procurement and Construction	1,708.05	1,009.09	867.39	854.60
Unallocated	8.41	823.75	237.29	242.54

Notes to Financial Statements

5 Geographical Information

a) The company is domiciled in India. The amount of its revenue is broken on the basis of location of customers.

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from external customers		
- Within India	366,456.11	372,407.10
- Outside India		
Thailand	17,548.62	2,747.41
Uganda	14,913.73	2,854.20
Indonesia	2,045.78	28,722.32
Spain	456.85	29,553.18
Nigeria	1,978.11	13,820.14
Philippines	910.01	10,697.85
Other countries	26,651.39	28,568.67
Total	**430,960.60**	**489,370.87**

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current assets		
- Within India	49,252.72	52,875.34
- Outside India	-	-
Total	**49,252.72**	**52,875.34**

c) Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2021 - Nil (Previous year ended March 31, 2020 - Nil)

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

a. Disaggregated revenue information

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of services or goods		
Revenue from Manufacturing of Machinery & Equipment	113,684.81	124,340.27
Revenue from Engineering, Procurement and Construction	317,163.52	365,002.44
Others	112.27	28.16
Total revenue from sale of services or goods	**430,960.60**	**489,370.87**
Revenue from Contracts with Customers		
Revenue from customers based in India	366,456.11	372,407.10
Revenue from customers based outside India	64,504.49	116,963.77
Total revenue from Contracts with Customers	430,960.60	489,370.87
Timing of Revenue Recognition		
Goods and services transferred over time	317,163.52	365,002.44
Goods and services transferred at a point in time	113,797.08	124,368.43
	430,960.60	**489,370.87**

Notes to Financial Statements

b. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	251,791.51	208,243.30
Contract assets	33,529.11	23,270.87
Contract liabilities	114,236.61	109,197.35

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 2,073.91 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.

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts included in contract liabilities at the beginning of the year	109,197.35	126,808.24
Amount received against contract liability during the year	113,331.24	122,265.21
Performance obligations satisfied during the year	108,291.98	139,876.10
Amounts included in contract liabilities at the end of the year	114,236.61	109,197.35

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	541,947.86	533,987.79
(b) When the entity expects to recognise as revenue		
Within one year	61.78%	60.29%
Within two years	32.17%	34.53%
Within five years	6.05%	5.18%
Thereafter	-	-

Notes to Financial Statements

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, 2021	As at March 31, 2020
(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	NIL
7	Isgec Investments PTE Ltd	Singapore	100	NIL
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
11	Isgec Redecam Enviro Solutions Private Limited	India	51	51
	Stepdown subsidiaries of :			
	- Eagle Press & Equipment Co. Limited			
a)	Eagle Press America Inc.			
b)	21917375 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	The Yamuna Syndicate Ltd.			
2	Kamla Puri Charitable Trust			
3	Kamla Puri Charitable Foundation			
4	Blue Water Enterprises			
(v)	**Key Management Personnel**	**Designation**		
1	Mr. Aditya Puri	Managing Director		
2	Mrs. Nina Puri *	Whole-time Director		
3	Mr. Ranjit Puri	Chairman		

Notes to Financial Statements

S.no	Name of the Related Party	Country of Incorporation	% of Equity interest	
			As at March 31, 2021	As at March 31, 2020
4	Mr. Vinod Kumar Nagpal #	Non Executive Director		
5	Mr. Tahir Hasan #	Non Executive Director		
6	Mr. Arun Kathpalia #	Non Executive Director		
7	Mr. Vinod Kumar Sachdeva #	Non Executive Director		
8	Mr. Sidharth Prasad	Non Executive Director		
9	Mr. Vishal Kirti Keshav Marwaha	Non Executive Director		
10	Mrs. Shivani Hazari	Non Executive Director		
11	Mr. Sudershan Kumar Khorana	Company Secretary		
12	Mr. Kishore Chatnani	Chief Financial Officer		
	* Director retired on March 31, 2021			
	# Directors retired on September 18, 2020			
(vi)	**Trust for post employment benefit**	**Principal place of operation /Country of incorporation**	**Principal Activities**	
1	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	India	Company's employee provident fund trust	
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
3	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
5	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	India	Company's employee gratuity trust	
6	Saraswati Industrial Syndicate Limited Superannuation Scheme	India	Company's employee superannuation trust	
7	Isgec John Thompson Staff Provident Fund	India	Company's employee provident fund trust	

Notes to Financial Statements

B. The following transactions were carried out with the related parties in the ordinary course of business

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2020-21	2019-20
1	**Purchase of goods**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	4.66	-
	Isgec Hitachi Zosen Limited	63.15	564.44
	Isgec Titan Metal Fabricators Pvt. Ltd.	914.39	386.66
	Isgec Redecam Enviro Solutions Pvt. Ltd.	676.81	1,401.71
	Eagle Press & Equipment Co. Limited	0.57	-
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	57.56	97.45
	Total	**1,717.14**	**2,450.26**
2	**Sale of goods**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	15,030.51	10.94
	Isgec Covema Limited	2.55	-
	Isgec Hitachi Zosen Limited	16.54	14.37
	Isgec Titan Metal Fabricators Pvt. Ltd.	31.88	221.80
	Eagle Press & Equipment Co. Limited	218.44	284.24
	Cavite Biofuels Producers Inc.	42.64	-
	Total	**15,342.56**	**531.35**
3	**Purchase of fixed Assets**		
	- Subsidiary		
	Freelook Software Private Limited	-	736.07
	Isgec Hitachi Zosen Limited	0.85	-
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	2.12	-
	Total	**2.97**	**736.07**
4	**Rendering of services**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	159.62	15.32
	Isgec Covema Limited	240.00	-
	Isgec Hitachi Zosen Limited	863.30	350.14
	Isgec SFW Boilers Pvt. Ltd.	67.38	84.19
	Isgec Titan Metal Fabricators Pvt. Ltd.	328.27	382.68
	Isgec Redecam Enviro Solutions Pvt. Ltd.	126.91	109.41
	Eagle Press & Equipment Co. Limited	-	62.17
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	12.00	12.25
	Total	**1,797.48**	**1,016.16**

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2020-21	2019-20
5	**Services received**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	6.63	5.20
	Isgec Hitachi Zosen Limited	237.59	629.43
	Isgec SFW Boilers Pvt. Ltd.	18.56	52.55
	Isgec Titan Metal Fabricators Pvt. Ltd.	10.69	7.53
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	-	0.34
	Total	**273.47**	**695.05**
6	**Rent received**		
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	2,835.00	2,835.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	100.00	60.00
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	3.00	3.00
	Total	**2,938.00**	**2,898.00**
7	**Rent paid**		
	- Subsidiary		
	Isgec Engineering & Projects Limited	8.64	8.64
	Saraswati Sugar Mills Limited	7.29	-
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	69.98	63.62
	- Key Management Personnel		
	Mrs. Nina Puri	33.00	4.13
	Total	**118.91**	**76.39**
8	**Interest received**		
	- Subsidiary		
	Saraswati Sugar Mills Limited	-	125.10
	Isgec Investments PTE Ltd	105.22	27.53
	Eagle Press & Equipment Co. Limited	53.32	25.25
	Total	**158.54**	**177.88**
9	**Loans given**		
	- Subsidiary		
	Isgec Investments PTE Ltd	2,079.43	1,089.72
	Eagle Press & Equipment Co. Limited	347.92	812.58
	Saraswati Sugar Mills Limited	-	4,550.00
	Total	**2,427.35**	**6,452.30**
10	**Refund of loan**		
	- Subsidiary		
	Saraswati Sugar Mills Limited	-	4,550.00
	Total	**-**	**4,550.00**

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2020-21	2019-20
11	**Key management personnel compensation ^**		
	Mr. Aditya Puri	381.50	1,211.25
	Mrs. Nina Puri *	381.50	1,211.25
	Mr. Sudershan Kumar Khorana	87.60	133.84
	Mr. Kishore Chatnani	76.77	95.06
	Total	**927.37**	**2,651.40**
	* Director retired on March 31, 2021		
12	**Key management personnel remuneration / sitting fees**		
	Mr. Ranjit Puri	4.65	5.45
	Mr. Vinod Kumar Nagpal #	2.41	5.65
	Mr. Tahir Hasan #	2.12	5.25
	Mr. Arun Kathpalia #	1.42	1.35
	Mr. Vinod Kumar Sachdeva #	2.32	5.45
	Mr. Sidharth Prasad	4.85	4.75
	Mr. Vishal Kirti Keshav Marwaha	4.75	4.25
	Mrs. Shivani Hazari	4.35	3.25
	Total	**26.87**	**35.40**
	# Directors retired on September 18, 2020		
13	**Contribution to trust for post employment benefit**		
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,071.54	1,047.32
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	646.70	87.98
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	51.45	3.08
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	0.11	0.20
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	0.12	0.10
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	51.18	54.68

^ 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.

C. Amount due to / from related parties

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2021	As at March 31, 2020
1	**Amount payable as at year end**		
	- Subsidiaries		
	Isgec Hitachi Zosen Limited	22.97	24.02
	Isgec Titan Metal Fabricators Pvt. Ltd.	58.06	6.59
	Isgec Redecam Enviro Solutions Pvt. Ltd.	607.42	332.56
	Saraswati Sugar Mills Limited	341.21	-
	Isgec SFW Boilers Pvt. Ltd.	10.06	7.73
	Eagle Press & Equipment Co. Limited	0.57	-
	Cavite Biofuels Producers Inc.	189.54	207.93

Notes to Financial Statements

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2021	As at March 31, 2020
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Ltd.	0.17	3.43
	- Key management personnel		
	Mr. Aditya Puri (Managing Director)	310.80	1,138.02
	Mrs. Nina Puri (Wholetime Director) *	312.60	1,141.36
	Mr. Ranjit Puri (Chairman)	0.23	0.23
	Mr. Vinod Kumar Nagpal #	0.11	0.23
	Mr. Tahir Hasan #	0.11	0.23
	Mr. Arun Kathpalia #	0.11	0.23
	Mr. Vinod Kumar Sachdeva #	0.11	0.23
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Shivani Hazari	0.23	0.23
	Total	**1,854.76**	**2,863.48**
	* Director retired on March 31, 2021		
	# Directors retired on September 18, 2020		
2	**Amount receivable as at year end**		
	- Subsidiaries		
	Saraswati Sugar Mills Limited	7,514.55	3.20
	Isgec Hitachi Zosen Limited	1,266.30	184.60
	Isgec SFW Boilers Pvt. Ltd.	-	48.26
	Isgec Titan Metal Fabricators Pvt. Ltd.	321.41	562.02
	Isgec Redecam Enviro Solutions Pvt. Ltd.	225.24	244.60
	Eagle Press & Equipment Co. Limited	336.36	354.31
	Isgec Investments PTE Ltd	132.75	-
	Isgec Covema Limited	265.20	16.71
	Cavite Biofuels Producers Inc.	25,622.21	25,599.83
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	15.90	15.90
	The Yamuna Syndicate Ltd.	-	0.20
	Total	**35,699.92**	**27,029.63**
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**

Notes to Financial Statements

D. Terms and Conditions

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and the settlement will occur in cash.

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Loans and advances in the nature of loans given to subsidiaries:				
1	Isgec Investments PTE Ltd	3,169.15	1,089.72	3,169.15	1,089.72
2	Eagle Press & Equipment Co. Limited	1,160.50	812.58	1,160.50	812.58
3	Saraswati Sugar Mills Limited	-	-	-	4,550.00

NOTE 50 : FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset						
Investments						
-Investments in mutual funds	-	2,100.08	-	-	5,945.47	-
-Other investments	-	2,232.09	-	-	2,253.36	-
Trade receivables - current	235,936.26	-	-	199,043.54	-	-
Trade receivables - non current	15,855.25	-	-	9,199.76	-	-
Loans	7,255.00	-	-	4,976.16	-	-
Cash and cash equivalents	10,665.41	-	-	12,735.86	-	-
Bank balances	1,440.45	-	-	819.89	-	-
Foreign currency forward contracts	-	302.69	-	-	1,295.18	-
Others financial assets	826.54	-	-	1,633.14	-	-
Total Financial Assets	**271,978.91**	**4,634.86**	**-**	**228,408.35**	**9,494.01**	**-**
Financial Liabilities						
Borrowings	19,883.86	-	-	34,123.91	-	-
Trade payables	145,144.12	-	-	122,485.38	-	-
Forward contracts	-	302.69	-	-	1,295.18	-
Lease liability	1,017.59	-	-	1,262.49	-	-
Other financial liabilities	3,122.46	-	-	6,529.71	-	-
Total Financial Liabilities	**169,168.03**	**302.69**	**-**	**164,401.49**	**1,295.18**	**-**

* FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

Notes to Financial Statements

(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.

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, 2020	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	5,945.47	5,945.47	-	-
-Other investments	2,253.36	-	2,253.36	-
Foreign currency forward contracts	1,295.18	-	1,295.18	-
Total	**9,494.01**	**5,945.47**	**3,548.54**	**-**
Financial liabilities				
Forward contracts	1,295.18	-	1,295.18	-
Total	**1,295.18**	**-**	**1,295.18**	**-**
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020				
Financial Assets				
Loan to Employees	390.24	-	-	390.24
Security Deposit	780.52	-	-	780.52
Total	**1,170.76**	**-**	**-**	**1,170.76**
Financial Liabilities				
Borrowings	34,123.91	-	-	34,123.91
Lease liability	1,262.49	-	-	1,262.49
Other financial liabilities	128.27	-	-	128.27
Total	**35,514.67**	**-**	**-**	**35,514.67**

Notes to 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)
(A) Financial assets 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	218.75	-	-	218.75
Security Deposit	805.62	-	-	805.62
Total	**1,024.37**	**-**	**-**	**1,024.37**
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**

(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 natur

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, 2021 and March 31, 2020.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	642.50	611.12
Fixed rate borrowings	18,241.36	9,007.33
Total	**18,883.86**	**9,618.45**

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

(₹ in lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Loans repayable on demand (Cash Credit)	8.38	642.50	3.40	9.78	611.12	6.35
Net exposure to cash flow interest rate risk		642.50			611.12	

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
INR	+50	+50	3.21	3.06
	- 50	- 50	-3.21	-3.06

Notes to Financial Statements

(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 forward 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 are as follows:

(₹ in lakhs)

Particulars	Against exposure in			
Foreign currency exposure as at March 31, 2021	**USD**	**Euro**	**Others**	**Total**
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
Foreign currency exposure as at March 31, 2020	**USD**	**Euro**	**Others**	**Total**
Trade receivables	52,322.58	3,733.00	179.61	56,235.19
Other receivables *	15,376.03	-	-	15,376.03
Loans and other advances	-	-	1,963.42	1,963.42
Bank balances in current accounts and term deposits accounts	1.41	0.01	18.96	20.38
Trade payables	4,639.78	760.77	1.05	5,401.60
Hedged Portion	40,593.18	4,318.17	1.05	44,912.40
Net Exposure to foreign currency risk	31,746.62	175.61	2,161.99	34,084.22

* 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:

Particulars	2020-21		2019-20	
	1% increase	1% decrease	1% increase	1% decrease
USD	306.74	-306.74	317.42	-317.42
Euro	0.32	-0.32	1.76	-1.76
Others	45.46	-45.46	21.62	-21.62

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.

Notes to Financial Statements

II. Credit risk

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

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

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.

(iv) Significant increase in credit risk and other financial instruments of the same counterparty.

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The Company's major exposure is from trade receivables, which are unsecured and contractually due from external customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period. Other loans are mainly provided mainly to the subsidiaries and to employees which have very minimal risk because of the nature of such loans.

Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Particulars	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2019					
Gross Carrying Amount	114,176.39	31,415.24	17,736.23	23,069.37	186,397.23
Expected Credit Loss	-	26.60	474.38	1,183.34	1,684.32
Carrying Amount (net of impairment)	114,176.39	31,388.64	17,261.85	21,886.03	184,712.91
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
As at March 31, 2021					
Gross Carrying Amount	147,998.01	48,199.38	6,320.77	51,347.26	253,865.42
Expected Credit Loss	-	-	19.39	2,054.52	2,073.91
Carrying Amount (net of impairment)	147,998.01	48,199.38	6,301.38	49,292.74	251,791.51

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.

Notes to Financial Statements

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

(₹ in lakhs)

Particulars	ECL for Trade Receivables
As at March 31, 2019	**1,684.32**
Provided during the year	24.73
Amounts written off	-
Reversal of provisions	-
As at March 31, 2020	**1,709.05**
Provided during the year	364.86
Amounts written off	-
Reversal of provisions	-
As at March 31, 2021	**2,073.91**

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 maintain optimum levels of liquidity at all times 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:

(₹ 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**

(₹ in lakhs)

As at March 31, 2020	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	34,123.91	611.12	33,420.63	92.16	34,123.91
Trade payables	122,485.38	-	122,485.38	-	122,485.38
Lease liability	1,262.49	-	252.79	1,009.70	1,262.49
Other Liabilities	7,824.89	-	7,696.62	128.27	7,824.89
Total	**165,696.67**	**611.12**	**163,855.42**	**1,230.13**	**165,696.67**

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, 2021	As at March 31, 2020
Bank overdraft and other facilities	51,382.50	30,501.52

Notes to Financial Statements

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, 2021	As at March 31, 2020
Debt	19,883.86	34,031.75
Less: Cash & cash equivalent	10,665.41	12,735.86
Net Debt	9,218.45	21,295.89
Total Equity	167,458.72	147,050.92
Total Equity and Net Debt	176,677.17	168,346.81
Net debt to equity plus debt ratio (Gearing Ratio)	**5.2%**	**12.7%**

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in note 22, 27 and 29.

(ii) Total equity (as shown in balance sheet) includes issued capital and other equity.

(b) Loan Covenants

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

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

(C) Dividends

(₹ in lakhs)

Particulars	Recognized in the year ending	
	March 31, 2021	March 31, 2020
(i) Dividends Recognized		
Dividend for the year ended March 31, 2020 ₹ NIL/- per equity share of ₹ 1/- each		
(for the year ended March 31, 2019 ₹ 1.50 per equity share of ₹ 1/- each)	-	1,102.94
Interim dividend during the year ended March 31, 2021 ₹ 2/- per equity share of ₹ 1/- each	1,470.59	1,470.59
(during the year ended March 31, 2020 ₹ 2/- per equity share of ₹ 1/- each)		
(ii) Dividend proposed but not recognised in the books of accounts *		
In addition to the above dividends, for the year ended March 31, 2021 the Board of Directors have recommended the payment of a final dividend of ₹ 1/- per equity share of ₹ 1/- each	735.30	NIL
(March 31, 2020 ₹ NIL/- per equity share of ₹ 1/- each)		

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

Notes to Financial Statements

NOTE 53 : PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT UNDER SECTION 186 OF COMPANIES ACT 2013 AS AT MARCH 31, 2021

₹ in lakhs

Sr. No.	Nature of the transaction (Loans given/ Guarantee given/Security Provided/Investments made)	Purpose for which the loan/guarantee/security is utilised by the recipient	Amount
1	Guarantees to Banks for Isgec Hitachi Zosen Limited	Corporate Guarantees to Secure Working Capital Bank facility	48,182.78
2	Guarantees to Banks for Isgec Titan Metal Fabricators Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	5,950.00
3	Guarantees to Banks for Isgec Redecam Enviro Solutions Private Limited	Corporate Guarantees to Secure Working Capital Bank facility	2,000.00
4	Security provided to HSBC Bank for Loans to Eagle Press & Equipment Co. Ltd, Canada	To secure Term Loan and credit facilities to Eagle Press & Equipment co. Ltd., Canada	7,427.20
	Total		**63,559.98**

5	Investment	Face Value (₹ per Share / Unit)	No. of Shares/ Units	Amount
	a) Equity Shares of Subsidiary Companies (At cost) :			
	Isgec Covema Limited	10	2000000	200.00
	Isgec Exports Limited	10	100000	10.00
	Isgec Engineering & Projects Limited	10	4000000	400.00
	Saraswati Sugar Mills Limited	10	7099900	7,009.99
	Freelook Software Private Limited	10	24650	1,306.45
	Eagle Press & Equipment Co. Ltd. Canada	CAD 1	4500000	2,643.05
	Isgec Investments PTE Ltd. Singapore	SGD 1	10000	5.20
	Isgec Hitachi Zosen Limited	10	51000000	5,100.00
	Isgec Foster Wheeler Boilers Pvt. Limited	10	1020000	102.00
	Isgec Titan Fabricators Pvt. Limited	10	510000	51.00
	Isgec Redecam Enviro Solutions Private Limited	10	1020000	102.00
	b) Loans to Subsidiaries :			
	Isgec Investments PTE Ltd. Singapore			3,169.15
	Eagle Press & Equipment Co. Ltd. Canada			1,160.50
	Total :			**21,259.34**
	Grand Total :			**84,819.32**

NOTE 54 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	153.65	165.89
Contribution to Provident & other Funds	9.04	9.33
Others	23.25	42.48
Total	**185.94**	**217.70**

Notes to Financial Statements

NOTE 55 : 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, 2021**	**Year ended March 31, 2020**
	i) Due Date of Filing of Cost Audit Report	27.09.2021	27.09.2020
	ii) Actual Date of Filing Cost Audit Report	Not Yet Due	05.08.2020

NOTE 56 : 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, 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 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 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 results may differ from that estimated as at the date of approval of these standalone financial results.

Note 57 : Contribution to political parties during the year 2020-21 is ₹ Nil (previous year: ₹ Nil).

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
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021

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, 2021, 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, 2021, 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	**Revenue recognition for construction contracts** The Holding Company's significant portion of business is undertaken through construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, "Revenue from Contracts with Customers". Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs. The determination of revenues and margin relating to construction contracts depends on total cost at completion estimated by the management. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development during the progress of projects. This method involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts. Refer Note 3.5 to the consolidated Ind AS financial statements.	**Principal Audit Procedures** In the context of our work, the procedures set up in terms of contribution to revenues of construction contracts consisted of : • Considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of Ind AS 115. • Performing 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. • Performing tests of details, on a sample basis, and verifying the underlying customer contracts, performing review of actual costs incurred with estimated costs to identify significant variations and assess whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, status of completion for projects and total cost estimates. We reviewed and tested the estimated cost of contracts, on test check basis, arising from contract modifications and analysed current on-going negotiations and settlements that may impair the profitability of such contracts. • Examining contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates to determine the level of provisioning required. • Verifying the contractual positions and revenue for the year are appropriately presented and disclosed in the 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 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 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 ₹ 2,27,476 Lakhs as at March 31, 2021, the total revenues of ₹ 21,750 Lakhs, total net loss after tax of ₹ 1,235 Lakhs, total comprehensive loss of ₹ 762 Lakhs and net cash inflows of ₹ 626 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 ₹ 18 Lakhs for the year ended March 31, 2021, 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, 2021 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, 2021 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 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:

a) 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.

b) 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.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

2. 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, 2021 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.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN:21087010AAAADH5788

Place: Noida
Dated: June 28, 2021

Annexure - A to 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, 2021

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Isgec Heavy Engineering Limited as of and for the year ended 31st March, 2021, 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, 2021, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to eight Subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Abhinav Khosla
Partner
Membership No.: 087010
ICAI UDIN:21087010AAAADH5788

Place: Noida
Dated: June 28, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	4	68,928.60	70,954.77
(b) Right-of-use assets	4A	5,149.47	5,551.52
(c) Capital work - in - progress		89,305.66	70,642.85
(d) Goodwill	5	2,258.51	2,124.76
(e) Other intangible assets	5	3,952.75	4,687.68
(f) Biological assets other than bearer plants	4	21.92	-
(g) Investments accounted for using equity method	6	1,673.92	1,618.72
(h) Financial assets			
(i) Loans	7	786.34	1,291.54
(ii) Trade receivables	8	15,855.25	9,235.62
(iii) Other financial assets	9	751.22	1,708.39
(i) Deferred tax assets	10	1,526.77	1,641.75
(j) Other non - current assets	11	1,152.74	1,266.85
Total non-current assets		**191,363.16**	**170,724.45**
(2) Current assets			
(a) Inventories	12	115,281.45	119,609.69
(b) Financial assets			
(i) Investments	13	4,332.17	8,198.84
(ii) Trade receivables	14	214,503.08	179,308.90
(iii) Cash and cash equivalents	15	15,454.60	17,973.48
(iv) Bank balances other than (iii) above	16	2,479.46	3,462.80
(v) Loans	17	2,114.55	1,952.73
(vi) Other financial assets	18	6,284.46	6,915.60
(c) Current tax assets	19	373.14	372.77
(d) Other current assets	20	93,844.80	87,245.69
Total current assets		**454,667.71**	**425,040.50**
Total assets		**646,030.87**	**595,764.95**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	21	735.29	735.29
(b) Other Equity	22	201,415.20	177,724.50
Equity attributable to owners of Parent		**202,150.49**	**178,459.79**
Non Controlling Interest		7,777.78	7,467.15
Total equity		**209,928.27**	**185,926.94**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	46,350.74	38,593.58
(ii) Lease liabilities		2,864.09	2,701.90
(iii) Other financial liabilities	24	2,686.12	162.38
(b) Provisions	25	6,007.92	6,841.37
(c) Deferred tax liabilities	10	2,182.93	1,823.34
(d) Other non - current liabilities	26	22,828.06	18,648.63
Total non-current liabilities		**82,919.86**	**68,771.20**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	41,681.88	55,232.37
(ii) Lease liabilities		404.00	519.77
(iii) Trade payables	28		
(a) Total outstanding dues of micro enterprises and small enterprises		9,521.94	1,659.07
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		152,662.48	139,210.07
(iv) Other financial liabilities	29	14,003.56	11,919.38
(b) Other current liabilities	30	117,750.45	119,946.70
(c) Provisions	31	16,033.05	12,577.04
(d) Current tax liabilities	19	1,125.38	2.41
Total current liabilities		**353,182.74**	**341,066.81**
Total equity & liabilities		**646,030.87**	**595,764.95**

The accompanying notes from 1 to 57 form an integral part of the financial statements

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

Sanjay Kumar
General Manager

Kishore Chatnani
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	32	542,556.73	588,206.16
II	Other Income	33	5,176.56	3,208.83
III	**Total income (I + II)**		**547,733.29**	**591,414.99**
IV	**Expenses**			
	Cost of materials consumed	34	122,395.30	140,165.41
	Purchase of Stock-in-Trade	35	196,207.68	215,000.31
	Erection and commissioning expenses		59,500.27	76,913.88
	Changes in inventories of finished goods, Stock - in - Trade and work - in - progress	36	10,924.11	(6,084.30)
	Employee benefits expense	37	38,404.46	42,196.98
	Finance costs	38	5,024.33	4,114.11
	Depreciation and amortization expense	39	10,085.99	10,118.67
	Other expenses	40	69,628.33	87,555.07
	Total expenses		**512,170.47**	**569,980.13**
V	**Profit / (loss) before share of an associate and exceptional items (III - IV)**		**35,562.82**	**21,434.86**
VI	Share of profit / (loss) of an associate		18.43	10.57
VII	**Profit / (loss) before tax (V + VI)**		**35,581.25**	**21,445.43**
VIII	Tax expense	41		
	(1) Current tax		9,843.34	7,069.91
	(2) Deferred tax		463.53	(537.86)
	(3) Earlier years tax		(32.84)	-
	Total tax expense		**10,274.03**	**6,532.05**
IX	**Profit / (loss) for the year (VII -VIII)**		**25,307.22**	**14,913.38**
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of post employment benefits obligations		116.75	(106.10)
	b) Equity instruments through other comprehensive income		-	-
	c) Income tax relating to items that will not be reclassified to profit or loss		(31.77)	49.67
	B (ii) Items that will be reclassified to profit or loss			
	a) Exchange difference on translation of foreign operation		300.22	1,189.97
	Total other comprehensive income		**385.20**	**1,133.54**
XI	**Total comprehensive income (IX + X) (Comprising Profit and Other Comprehensive Income for the year)**		**25,692.42**	**16,046.92**
	Profit for the year		**25,307.22**	**14,913.38**
	Attributable to:			
	Owners of the parent		24,785.40	14,451.02
	Non-controlling interests		521.82	462.36
	Other comprehensive for the year		**385.20**	**1,133.54**
	Attributable to:			
	Owners of the parent		375.89	1,146.55
	Non-controlling interests		9.31	(13.01)
	Total comprehensive income of the year		**25,692.42**	**16,046.92**
	Attributable to:			
	Owners of the parent		25,161.29	15,597.57
	Non-controlling interests		531.13	449.35
XII	**Earnings per equity share (nominal value of ₹ 1/- each) for Profit attributable to Owners of the Parent**	**42**		
	Basic (₹)		33.71	19.65
	Diluted (₹)		33.71	19.65

The accompanying notes from 1 to 57 form an integral part of the financial statements

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

Sanjay Kumar
General Manager

Kishore Chatnani
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 : June 28, 2021

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax	35,581.25	21,445.43
	Adjustments :		
	Depreciation and amortization expenses	10,085.99	10,118.67
	(Profit) / Loss on diminution in value of stores and investments	8.69	10.33
	(Gain) / Loss on disposal of property, plant and equipment	(57.49)	49.43
	(Gain) / Loss on sale of financial instruments	(41.26)	(368.58)
	Change in fair value of financial instruments (investment)	(4.56)	(242.65)
	Income from investments - dividends	-	(0.33)
	Adjustment of expected credit loss	707.10	24.13
	Liability no longer required written back	(899.72)	(1,368.05)
	Interest income	(520.37)	(573.47)
	Amortization of processing fees	92.19	36.42
	Finance / interest costs	5,024.33	4,114.11
	Unrealised foreign exchange (gain)/loss	1,479.48	(3,489.04)
	Undistributed profits of associates	(18.43)	(10.57)
	Adjustment due to discounting in warranty provision	134.42	74.61
	Cash flow before working capital adjustments	**51,571.62**	**29,820.44**
	Working capital adjustments		
	(Increase) / Decrease in trade receivables	(44,233.84)	8,977.51
	(Increase) / Decrease in other receivables	(4,418.81)	(8,904.86)
	(Increase) / Decrease in inventories	4,319.55	1,279.76
	Increase / (Decrease) in trade and other payables	21,647.19	(15,542.32)
	Increase / (Decrease) in payables and provisions	2,604.89	1,922.98
	Cash flow after working capital requirements	**31,490.60**	**17,553.51**
	Income Tax paid (net of refund)	(8,708.63)	(7,200.87)
	Net cash from / (used in) operating activities	**22,781.97**	**10,352.64**
B	**Cash flow from investing activities**		
	Proceeds from sale of property, plant and equipment	478.54	460.65
	Purchase of property, plant and equipment including capital work-in-progress	(24,173.07)	(43,258.05)
	Payment towards acquisition of business, net of cash acquired	-	38.51
	Purchase of intangible assets	(152.53)	(307.12)
	Sale / (Purchase) of equity shares / mutual funds	3,912.49	7,958.89
	Proceeds from sale of financial instruments	957.17	(159.79)
	Interest income received	412.04	555.97
	Dividend received	-	0.33
	Income received from investment in associates	(36.77)	10.57
	Net cash flow from / (used in) investing activities	**(18,602.14)**	**(34,700.04)**

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C Cash flow from financing activities		
Dividend paid on equity shares	(1,720.30)	(2,670.64)
Dividend tax paid	-	(554.18)
Payments for lease liability	(495.71)	(460.96)
Finance / interest cost - long term / short term	(3,875.12)	(3,777.86)
Proceeds from long term borrowings	18,369.50	8,526.27
Repayment of long term borrowings	(7,643.48)	(121.29)
Proceeds / (repayment) from short term borrowings (net)	(13,550.49)	28,601.36
Net cash flow from / (used in) financing activities	**(8,915.60)**	**29,542.70**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(4,735.77)**	**5,195.30**
Cash and cash equivalents at the beginning of the year	17,973.48	10,844.13
Effect of foreign currency translation	2,216.89	1,934.06
Cash and cash equivalents at the end of the year	**15,454.60**	**17,973.48**
Components of cash and cash equivalents		
Cash, cheques and drafts on hand	20.53	14.38
Balance with scheduled banks	13,341.00	16,756.04
Bank term deposits	2,093.07	1,203.06
Cash and cash equivalents	**15,454.60**	**17,973.48**

Notes:

1 Reconciliation of liabilities arising from financing activities:

(₹ in lakhs)

Particulars	Total borrowing	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	95,853.99	30,370.15
Non-cash changes due to		
- Interest expense	92.19	36.42
- Others	1,869.17	26,582.12
Cash flows during the year	(2,824.47)	38,865.30
Closing balance	**94,990.88**	**95,853.99**

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

3 Figures in brackets indicate cash outgo.

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

Sanjay Kumar
General Manager

Kishore Chatnani
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 : June 28, 2021

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Amount
As at April 1, 2019	735.29
Changes in equity share capital	-
As at March 31, 2020	735.29
Changes in equity share capital	-
As at March 31, 2021	**735.29**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Attributable to Owners of the Parent									Non Controlling Interest	Total
	Reserves and Surplus					Items of other comprehensive income			Total Other Equity		
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Foreign currency translation reserve			
Balance as at April 1, 2019	**0.01**	**450.22**	**3.24**	**18,816.93**	**131,570.43**	**109.12**	**12.22**	**(177.50)**	**150,784.67**	**7,164.98**	**157,949.65**
Addition from Business Combination	14,445.70	-	-	-	-	-	-	-	14,445.70	-	14,445.70
Profit for the year	-	-	-	-	14,439.95	-	-	-	14,439.95	462.86	14,902.81
Share of profit/(loss) of an associate	-	-	-	-	10.57	-	-	-	10.57	-	10.57
Other comprehensive income for the year	-	-	-	-	(43.43)	-	-	1,189.57	1,146.14	(13.01)	1,133.13
Total comprehensive income for the year	-	-	-	-	14,407.09	-	-	1,189.57	30,042.36	449.85	30,492.21
Dividend paid	-	-	-	-	(2,573.53)	-	-	-	(2,573.53)	(122.50)	(2,696.03)
Dividend distribution tax	-	-	-	-	(529.00)	-	-	-	(529.00)	(25.18)	(554.18)
Balance as at March 31, 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**
Addition from Business Combination	-	-	-	-	-	-	-	-	-	-	-
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)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-
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**

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

Sanjay Kumar
General Manager

Kishore Chatnani
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021

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

One subsidiary is engaged in manufacture of sugar and its by-products.

The Company together with its subsidiaries is hereinafter referred to as "the Group".

NOTE 2 : BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31st March, 2021. Control is achieved when the Company is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on 31st March.

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the Company and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows to the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statement. Ind AS 12 Income tax applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

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 June, 2021.

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.

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.

Notes to the Consolidated Financial Statements

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 off, 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 recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised 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 the 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. 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 equivalents 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 realisation in cash and cash equivalents.

3.5 Revenue Recognition

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services 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 (goods or services) 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 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 products is 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 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.

Notes to the Consolidated Financial Statements

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

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

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 as per the terms of the contract.

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 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 realisable 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 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 the Consolidated Financial Statements

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 capitalised 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.

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 is 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 Amortisation

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

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

Intangible assets are amortised over a period not exceeding ten years on a straight line method.

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

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

Notes to the Consolidated Financial Statements

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. 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 recognised 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 amortisation or depreciation) had no impairment loss been recognised 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 unrecognised 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 as short term employee benefits and accordingly, any gains and losses on actuarial valuation are recognised as expense in the statement of profit and loss.

(iv) Retirement Benefits

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

Notes to the Consolidated Financial Statements

(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 post-employment benefit in the nature of a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

(vii) Other Short Term Benefits

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

3.12 Leases

As a Lessee

The Group has lease contracts for various 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 capitalised 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 recognised under prepayments and trade and other payables, respectively.

Effective April 1, 2019, the Group has adopted Ind AS 116, "Leases". As a result, the Group has changed its accounting policy for accounting of leasing arrangements, which has been detailed below:

The Group applied the "Modified Retrospective Approach" on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The most significant effects of this new standard on the Group relate to the recognition of new right-of-use ("ROU") assets and lease liabilities on its financial position for various operating leases.

In the statement of financial position, lease liability is included under financial liability and ROU assets is included in non- current assets and the payment of principal portion of lease liabilities has been classified as financing cash flows.

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 recognises 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 recognises 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.

Notes to the Consolidated Financial Statements

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.

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 utilised.

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

Deferred tax relating to items recognized in other comprehensive Income is recognized other comprehensive income.

Notes to the Consolidated Financial Statements

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 capitalised 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 recognised 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 recognised 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 Group; or

(b) a present obligation that arises from past events but is not recognised because:

 (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

 (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised 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.

Notes to the Consolidated Financial Statements

Initial Recognition

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

Subsequent Measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortised cost

A debt instrument is subsequently measured at amortised 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.

Notes to the Consolidated Financial Statements

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised 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 recognised 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 items are retranslated using the exchange rate prevailing at the reporting date.

Notes to the Consolidated Financial Statements

iii. Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.23 Research and Development Expenses

Research expenditure is charged to the consolidated Statement of Profit or Loss. Development costs of products are also charged to the consolidated Statement of Profit or 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, maximising the use of relevant observable inputs and minimising 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 standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the Consolidated Financial Statements

NOTE 4 : PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Land (Free Hold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Bearer plants	Biological assets other than bearer plants	Total
Gross carrying value										
As at April 1, 2019	**12,882.68**	**2,952.35**	**21,550.89**	**50,398.40**	**1,085.09**	**1,438.14**	**3,294.95**	**-**	**-**	**93,602.50**
Additions	-	-	2,229.25	7,465.49	79.36	405.41	998.38	-	-	11,177.89
Additions - Business Combinations	-	-	540.24	3,072.87	-	-	-	131.65	-	3,744.76
Disposals	-	-	71.84	706.29	4.52	118.56	37.39	-	-	938.60
Reclassified on account of adoption of Ind AS 116	-	(2,952.35)	-	-	-	-	-	-	-	(2,952.35)
Translation difference	5.51	-	98.93	256.81	2.27	-	2.32	10.42	-	376.26
As at March 31, 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
Additions - Business Combinations	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	10.00	386.97	13.29	193.38	75.60	-	-	679.24
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-
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**
Accumulated depreciation										
As at April 1, 2019	**-**	**291.72**	**4,748.30**	**17,848.54**	**721.91**	**718.13**	**2,092.39**	**-**	**-**	**26,420.99**
Charge for the year	-	-	1,455.24	5,873.79	96.08	285.64	610.08	4.81	-	8,325.64
Disposals	-	-	52.74	255.89	3.86	91.08	24.95	-	-	428.52
Reclassified on account of adoption of Ind AS 116	-	(291.72)	-	-	-	-	-	-	-	(291.72)
Translation difference	-	-	1.54	25.08	2.27	-	0.18	0.23	-	29.30
As at March 31, 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
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-
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**
Net carrying value										
As at March 31, 2020	**12,888.19**	**-**	**18,195.13**	**36,995.76**	**345.80**	**812.30**	**1,580.56**	**137.03**	**-**	**70,954.77**
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**

(i) Contractual commitment towards purchase of property, plant and equipment, refer note 43.

(ii) Borrowing cost capitalized during the year is ₹ 96.58 lakhs (previous year ₹ 145.89 lakhs).

(iii) The Company had adopted deemed cost exemption i.e. to continue with the carry value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per previous GAAP, as per Para D7AA of Ind AS 101 'First-time Adoption of Indian Accounting Standards' on transition to Ind AS. Accordingly, carrying value of all of its property, plant and equipment as on transition date i.e. April 1, 2015 was deemed as gross block as on that date with accumulated depreciation as Nil. During the current year, the Company has restated its gross block of property, plant and equipment as on March 31, 2017, March 31, 2018 and March 31, 2019 with corresponding adjustment in accumulated depreciation, to give effect to the exemption cited above which the Company had adopted on transition to Ind AS. This restatement as stated above, has no impact on net block of property, plant and equipment for the aforesaid years.

Notes to the 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, 2019	**-**	**-**	**-**
Reclassified on account of adoption of Ind AS 116	2,952.35	1,556.20	4,508.55
Additions-Business Combination	55.76	1,466.26	1,522.02
Additions	-	246.07	246.07
Deletions	-	3.84	3.84
Translation difference	4.41	130.37	134.78
As at March 31, 2020	**3,012.52**	**3,395.06**	**6,407.58**
Reclassified on account of adoption of Ind AS 116	-	-	-
Additions-Business Combination	-	-	-
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**
Accumulated depreciation			
As at April 1, 2019	**-**	**-**	**-**
Reclassified on account of adoption of Ind AS 116	291.72	-	291.72
Charge for the year	80.24	474.03	554.27
Deletions	-	8.91	8.91
Translation difference	0.21	18.77	18.98
As at March 31, 2020	**372.17**	**483.89**	**856.06**
Reclassified on account of adoption of Ind AS 116	-	-	-
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**
Net carrying value			
As at March 31, 2020	**2,640.35**	**2,911.17**	**5,551.52**
As at March 31, 2021	**2,550.42**	**2,599.05**	**5,149.47**

Notes to the Consolidated Financial Statements

NOTE 5 : GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Technical know how	Total (other intangible assets)	Goodwill	Total
Gross carrying value					
As at April 1, 2019	2,401.58	7,656.96	10,058.54	2,091.63	12,150.17
Additions	284.90	-	284.90	-	284.90
Additions - Business Combinations	22.22	-	22.22	-	22.22
Disposals	-	-	-	-	-
Translation difference	-	36.78	36.78	33.13	69.91
As at March 31, 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**
Accumulated depreciation					
As at April 1, 2019	1,609.84	2,867.66	4,477.50	-	4,477.50
Charge for the year	375.64	863.13	1,238.77	-	1,238.77
Disposals	-	-	-	-	-
Translation difference	(1.51)	-	(1.51)	-	(1.51)
As at March 31, 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
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**
Net carrying value					
As at March 31, 2020	**724.73**	**3,962.95**	**4,687.68**	**2,124.76**	**6,812.44**
As at March 31, 2021	**554.13**	**3,398.62**	**3,952.75**	**2,258.51**	**6,211.26**

NOTE 6 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Investments accounted for using equity method

Particulars	As at March 31, 2021	As at March 31, 2020
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
Investment in equity instruments of associate company		
Penwood Project Land Corporation (PPLC)	1,673.92	1,618.72
Total investments	**1,673.92**	**1,618.72**
Aggregate Value of Investments:		
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	1,673.92	1,618.72
Aggregate amount of impairment in value of investments:	-	-

Notes to the Consolidated Financial Statements

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans receivables considered good - Secured		
- Loans to employees	217.21	310.10
Loans receivables considered good - Unsecured		
- Loans to employees	48.67	133.90
- Security deposit (other than Government)*	520.46	847.54
Total	**786.34**	**1,291.54**

* Includes balances with related parties (refer note 46)

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	15,855.25	9,242.38
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - Credit impaired	-	-
Allowance for expected credit losses	-	(6.76)
Total	**15,855.25**	**9,235.62**

NOTE 9 : NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
- Fixed deposits under lien held as margin money (for credit facility and bank guarantee) having maturity of more than twelve months	727.58	1,654.36
- Interest accrued but not due on deposits	23.64	54.03
Total	**751.22**	**1,708.39**

NOTE 10 : DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (refer note 10.1)	1,526.77	1,641.75
Deferred tax liabilities (refer note 10.2)	2,182.93	1,823.34

Notes to the Consolidated Financial Statements

Note 10.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Deferred tax assets		
Employee benefits	804.86	859.71
Fair valuation of investments	(5.46)	(137.35)
Property, plant & equipment	(23.68)	(795.77)
Brought forward business losses	105.43	1,167.54
Provision for expected credit losses	609.80	430.13
Other items	35.82	117.49
Total deferred tax assets	**1,526.77**	**1,641.75**

Movement in Deferred Tax Assets

(₹ in lakhs)

Particulars	Employee benefits deductible in future years	Fair valuation of investments	Property, Plant & Equipment	Brought/ forward business losses	Provision for expected credit losses	Other items	Total
As at April 1, 2019	**1,221.27**	**(250.13)**	**(915.82)**	**35.23**	**588.57**	**1.66**	**680.78**
(Charged) / Credited:-							
-to profit & loss	(372.16)	112.78	120.05	1,132.31	(158.44)	119.21	953.75
-to other comprehensive income	10.60	-	-	-	-	-	10.60
-to translation difference	-	-	-	-	-	(3.38)	(3.38)
As at March 31, 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**

Note 10.2 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Deferred Tax Liabilities		
Defined benefit obligation	121.37	168.29
Provisions	-	-
Property, plant & equipment	(2,152.85)	(1,532.71)
Brought / forward business losses	451.21	-
Other items	(602.66)	(463.10)
Net deferred tax liabilities	**(2,182.93)**	**(1,827.52)**
(b) MAT credit entitlement (refer note 10.3)	**-**	**4.18**
Total deferred tax liabilities	**(2,182.93)**	**(1,823.34)**

Notes to the Consolidated Financial Statements

Movement in Deferred Tax Liabilities

(₹ in lakhs)

Particulars	Defined benefit obligation/ employee benefits	Property, Plant & Equipment	Brought / forward business losses	Other items	Total
As at April 1, 2019	**170.00**	**(1,237.70)**	**-**	**109.61**	**(958.09)**
Deferred Tax Assets on Acquisition	-	-	-	(359.79)	(359.79)
(Charged) / Credited:-					
- to profit & loss	(22.23)	(295.01)	-	(178.99)	(496.23)
- to other comprehensive income	20.52	-	-	-	20.52
- to translation difference	-	-	-	(33.93)	(33.93)
As at March 31, 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)**

Note 10.3 : Movement in MAT credit entitlement

(₹ in lakhs)

Particulars	Amount
As at April 1, 2019	190.51
(Charged) / Credited:-	
- to profit & loss	-
- to other comprehensive income	-
- adjusted in current tax	(186.33)
As at March 31, 2020	**4.18**
(Charged) / Credited:-	
- to profit & loss	-
- to other comprehensive income	-
- adjusted in current tax	(4.18)
As at March 31, 2021	-

NOTE 11 : OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances recoverable other than in cash		
Considered good - Unsecured		
Capital advances	69.75	152.07
WCT receivables	17.23	17.23
Service tax on input services	659.46	15.47
Prepayments	109.59	159.26
Others	296.71	922.82
Total	**1,152.74**	**1,266.85**

Notes to the Consolidated Financial Statements

NOTE 12 : INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials		
Raw materials	15,787.71	17,444.27
Raw materials in transit	2,710.81	670.84
Work - in - progress		
Engineering goods	41,362.08	50,507.32
Ingots and steel castings	2,612.17	2,583.60
Sugar	110.37	111.68
Finished goods		
Engineered goods	3,446.82	-
Sugar	36,284.35	41,321.74
Molasses	1,133.12	1,087.36
Stock-in-Trade		
Goods in transit	8,296.83	1,518.72
Goods at warehouse	598.09	480.79
Stores & spares	2,836.68	3,160.17
Stores & spares in transit	-	657.06
Loose tools & others	55.80	66.14
Firm commitment on Purchases	5.00	-
Others	**41.62**	**-**
Total	**115,281.45**	**119,609.69**

For inventories hypothecated/pledged as security, please refer note 27.

NOTE 13 : CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	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				
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	-	-	5,000,000	620.30
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	-	-	5,000,000	622.33
PGIM India Fixed Duration Fund - Series AB - Direct Plan - Growth	-	-	50,000	624.90
PGIM India Fixed Duration Fund - Series AE - Direct Plan - Growth	-	-	50,000	622.80
HDFC FMP 1150D Feb 2017(1) - Direct - Growth - Series-37	-	-	8,000,000	994.19
Nippon India Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	-	-	10,000,000	1,105.90
SBI Dual Advantage Fund-Series XIX-Regular-Growth	-	-	1,000,000	118.61
SBI Debt Fund Series - B - 46 (1155 Days) - Direct Growth	-	-	5,000,000	616.39
SBI Debt Fund Series - B - 49 (1170 Days) - Direct Growth	-	-	5,000,000	620.06
SBI Overnight Fund - Regular - Growth	63,268	2,100.08	-	-
		2,100.08		**5,945.48**

Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares/Units	Amount (₹ in lakhs)	No. of Shares/Units	Amount (₹ in lakhs)
b) Other investments				
-Unquoted				
Annuities in senior Secured Estate Transactions II Fund - Essel Finance		196.14		195.86
ASK Real Estate Special Opportunities Fund		622.50		605.76
ASK Real Estate Special Situations Fund		196.95		83.39
Edelweiss Real Estate Opportunities Fund (EROF)		109.02		176.16
IDFC Score Fund		155.71		160.07
India Whizdom Fund		8.02		70.81
Indiabulls High Yield Fund		209.57		213.76
Indiabulls Dual Advantage Commercial Asset Fund		501.26		375.00
Nippon India Yield Maximiser Fund Scheme-I		32.19		59.70
Nippon India Yield Maximiser Scheme-III		200.73		312.85
		2,232.09		**2,253.36**
Total current investments (a + b)		**4,332.17**		**8,198.84**
Aggregate value of investments :				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments		4,332.17		8,198.84
Aggregate amount of impairment in value of investments		-		-

NOTE 14 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured *	216,577.33	181,098.76
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - Credit impaired	79.23	-
Allowance for expected credit losses	(2,153.48)	(1,789.86)
Total	**214,503.08**	**179,308.90**

*For trade receivables hypothecated/pledged as security, refer note 27.

NOTE 15 : CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	13,341.00	16,756.04
- In fixed deposits accounts with original maturity of less than three months	2,093.07	1,203.06
Cheques and drafts on hand	0.39	-
Cash on hand	20.14	14.38
Total	**15,454.60**	**17,973.48**

Notes to the Consolidated Financial Statements

NOTE 16 : CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In fixed deposits accounts maturing within one year	-	1,613.72
- In fixed deposit under lien held as margin money (for bank guarantees) maturing within one year	2,356.38	1,688.43
Earmarked accounts	-	8.36
Earmarked - Unclaimed dividend accounts	123.08	152.29
Total	**2,479.46**	**3,462.80**

NOTE 17 : CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans receivables considered good - Secured		
- Loans to employees	85.06	109.27
- Security deposits	37.11	62.84
- Other loans	-	20.84
- Interest accrued on security deposits	7.76	10.42
Loans receivables considered good - Unsecured		
- Advances to employees	747.91	723.67
- Security deposits *	1,195.44	902.30
- Other loans	29.04	111.46
- Interest accrued on security deposits	12.23	11.93
Total	**2,114.55**	**1,952.73**

*includes balances with related parties (refer note 46)

NOTE 18 : CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Derivatives		
- Foreign exchange forward contract receivables	303.29	1,463.26
Others		
- Interest accrued on fixed deposit	323.31	214.98
- Government subsidy recoverable	5,342.84	4,847.45
- Interest subvention on term loan recoverable	315.02	389.91
Total	**6,284.46**	**6,915.60**

NOTE 19 : CURRENT TAX ASSETS / LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid income taxes	536.55	14,268.81
Less: Provisions for income tax	163.41	13,896.04
Net current tax assets	**373.14**	**372.77**
Provisions for income tax	8,415.09	13.43
Less: Prepaid income taxes	7,289.71	11.02
Net current tax liabilities	**1,125.38**	**2.41**

Notes to the Consolidated Financial Statements

NOTE 20 : OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances		
Advance to suppliers *	43,647.79	49,306.95
Others		
Prepayments	1,356.84	1,379.11
Balance with government authorities	12,977.52	9,740.95
Group gratuity fund	209.75	212.16
Export incentive receivable	1,583.56	2,683.75
Unbilled revenue	33,549.10	23,292.33
Others	520.24	630.44
Total	**93,844.80**	**87,245.69**

* includes balances with related parties (refer note 46)

NOTE 21 : SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ 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 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 of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to number of equity shares held by each of the equity share holders.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ 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

Notes to the Consolidated 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, 2021		As at March 31, 2020	
	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%	33,034,904	44.93%
(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%

NOTE 22 : OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital reserve		
Balance outstanding at the beginning of the year	14,445.71	0.01
Add: Additions during the year	-	-
Add: Additions-Business Combinations		14,445.70
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) Surplus in statement of profit and loss		
Balance outstanding at the beginning of the year	142,874.99	131,570.43
Add: Profit for the year	24,766.97	14,439.95
Add: Share of profit/(loss) of an associate	18.43	10.57
Add: Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post employment benefits obligations (refer note 22.2)	75.67	(43.43)
Less: Appropriations		
- Dividend paid including dividend distribution tax	-	1,631.94
- Interim dividend paid including dividend distribution tax	1,470.59	1,470.59
Balance outstanding at the end of the year	166,265.47	142,874.99

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(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
(iii) Foreign currency translation reserve		
-Balance outstanding at the beginning of the year	1012.07	(177.50)
-Other comprehensive income for the year	300.22	1,189.57
-Balance outstanding at the end of the year	1,312.29	1,012.07
Total	**201,415.20**	**177,724.50**

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.

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 the Consolidated Financial Statements

NOTE 23 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured				
Indian Rupee Term Loan from Bank (refer note 23.1)	16,399.50	1,750.00	3,720.00	250.00
Soft Loan from Bank (refer note 23.2)	-	4,785.31	-	1,608.50
Under Central Government Scheme of Soft Loan to sugar mills to facilitate payment of cane dues for the sugar season 2018-19(Net of Unamortised Processing Charges of ₹ Nil (Previous Year ₹ 40.19 Lakhs)				
Vehicle Loan from Bank (refer note 23.3)	69.05	92.16	27.81	27.81
Secured				
Foreign Currency Loan (refer note 23.4)	29,882.19	31,966.11	3,210.45	141.73
Total	**46,350.74**	**38,593.58**	**6,958.26**	**2,028.04**

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, 2021	7,200.00	6,480.00	720.00	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 lakhs, whichever is lower.	The loans are repayble in equal quarterly instalments of ₹ 360 lakhs each starting from December 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, 2020	-	-	-			
As at March 31, 2021	1,750.00	1,250.00	500.00	MCLR 1Y + 0.80% p.a.	5 Year (initial year being moratorium period). Payable in 16 equal quarterly instalments 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, 2020	2,000.00	1,750.00	250.00			
As at March 31, 2021	11,169.50	8,669.50	2,500.00	5.45%	The loans are repayable in 8 quarterly equal instalments over 2 years after 1 year moratorium.	Second pari passu charge on entire immovable fixed assets and current assets of the Group except movable and immovable fixed assets located at Dahej unit and excluding fixed assets and vehicles charged exclusively to Term Lenders and excluding properties and assets under negative lien.
As at March 31, 2020	-	-	-			
Total as at March 31, 2021	**20,119.50**	**16,399.50**	**3,720.00**			
Total as at March 31, 2020	2,000.00	1,750.00	250.00			

Notes to the Consolidated Financial Statements

Note 23.2
(a) : 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, 2021	-	-	-	11%	The loan is repayable in 16 equal quarterly instalments, after moratorium period of 1 year. instalments of ₹ 293.44 lakhs each start from June, 2020 and was to end in March, 2024. The loan is fully repaid during the year prematurely.	Soft Loan was secured by way of first pari passu charge on fixed assets including plant & machinery, furniture & fixtures, office equipments etc. and by way of equitable mortgage of immovable properties including land and building situated at Yamunanagar, and second pari passu charge by way of hypothecation on entire current assets of the Group, present and future.
As at March 31, 2020	4,695.00	3,521.25	1,173.75			
As at March 31, 2021	-	-	-	13%	The loan is repayable in 16 equal quarterly instalments, after moratorium period of 1 year. instalments of ₹ 108.69 lakhs each start from June, 2020 and was to end in March, 2024. The loan is fully repaid during the year prematurely.	Soft Loan was secured by way of first pari passu charge on fixed assets including plant & machinery, furniture & fixtures, office equipments etc. and by way of equitable mortgage of immovable properties including land and building situated at Yamunanagar, and second pari passu charge by way of hypothecation on entire current assets of the Group, present and future.
As at March 31, 2020	1,739.00	1,304.25	434.75			
Less : Amortized processing charges						
March 31, 2021	-	-	-			
March 31, 2020	(40.19)	(40.19)	-			
Total as at March 31, 2021	-	-	-			
Total as at March 31, 2020	6,393.81	4,785.31	1,608.50			

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, 2021	96.86	69.05	27.81	8.90% to 9.20%	The loans are repayable in 60 Equated Monthly Installment (EMI) and the last EMI of loan is payable in the month of October, 2024.	Loans are taken against hypothecation of vehicles.
As at March 31, 2020	119.97	92.16	27.81			

Notes to the Consolidated Financial Statements

Note 23.4

Terms of Repayment of Borrowings are as follows:

(₹ in lakhs)

Balance	Loan amount outstanding	Long term	Current maturity	Rate of interest (p.a.)	Terms of repayment	Security
As at March 31, 2021	5,483.37	3,916.69	1,566.68	Bank's prime rate - 0.25% 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, 2020	5,012.22	5,012.22	-			
As at March 31, 2021	27,609.27	25,965.50	1,643.77	6.50%	Repayable in 12 years in equal and successive semi-annualy instalments 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, 2020	27,095.62	26,953.89	141.73			
Total as at March 31, 2021	**33,092.64**	**29,882.19**	**3,210.45**			
Total as at March 31, 2020	32,107.84	31,966.11	141.73			

NOTE 24 : NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	2,530.52	-
Security deposit under car loan scheme	107.10	131.10
Security deposit - Others	48.50	31.28
Total	**2,686.12**	**162.38**

NOTE 25 : LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
-Gratuity	15.89	11.66
-Leave encashment	2,265.70	2,263.94
-Pension provision	1,026.56	1,076.52
	3,308.15	**3,352.12**
Provision for warranty (refer note 25.1 & 25.2)	2,699.77	3,489.25
Total	**6,007.92**	**6,841.37**

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.

Notes to the Consolidated Financial Statements

Note 25.2 : Movement of provision for warranty

(₹ in lakhs)

Nature of Provisions	Warranties	
	2020-21	**2019-20**
Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the Year	14,870.21	13,174.49
Additional provision made during the year	5,393.51	4,733.38
Amount used during the year	(1,370.51)	(2,404.84)
Amount reversed during the year	(1,160.17)	(707.43)
Adjustment due to discounting	134.42	74.61
Carrying amount at the end of the year	**17,867.46**	**14,870.21**
Break up of carrying amount at the end of the year		
Long term provisions	2,699.77	3,489.25
Short term provisions (refer note 31)	15,167.69	11,380.96

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	22,801.09	17,523.35
Other advance	-	1,095.61
Deferred government grant (refer note 26.1)	26.97	29.67
Total	**22,828.06**	**18,648.63**

Note : 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.

NOTE 27 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Soft loan from bank (refer note 27.1) (Under Central Government Scheme of Soft Loan to sugar mills to facilitate payment of cane dues for the sugar season 2018-19)	-	228.58
Working capital demand loan (WCDL) (refer note 27.2 & 27.3)	23,189.00	40,046.20
Cash credit (refer note 27.2 & 27.4)	4,117.88	3,670.23
Packing credit loan from banks (refer note 27.5) -In Indian rupees	14,375.00	11,287.36
Total	**41,681.88**	**55,232.37**

27.1 (i) Soft loan was taken as per Central Government Scheme of Soft Loan to sugar mills to facilitate payment of cane dues for the sugar season 2018-19.

(ii) Soft Loan was disbursed by Punjab National Bank @10.75% p.a. under Central Government Scheme of Soft Loan to sugar mills to facilitate payment of cane dues for the sugar season 2018-19. Tenure of the soft loan was one year. Loan repaid on due date 30th June, 2020. Company received interest subvention upto 7% simple interest for maximum period of one year.

(iii) Soft Loan was carved out by the bank within the sanctioned cash credit limit.

Notes to the Consolidated Financial Statements

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

27.3 WCDL is taken as sub limit under cash credit limit. Detail of WCDLs is given below:

Rate of interest varied from 5% to 9.55% p.a. (Previous year 8% to 10.60% p.a.) during the above periods.

27.4 Repayable on demand. Rate of interest varied from 2.70% to 10% p.a. (Previous year 8.70% to 10.60% p.a.) during the above periods.

27.5 Average rate of interest on packing credit loans from banks is 3.2% to 8.08% p.a. (Previous year 8.08% p.a.)

NOTE 28 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Micro, Small and Medium Enterprises (refer note 28.1)	9,521.94	1,659.07
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises *	152,662.48	139,210.07
Total	**162,184.42**	**140,869.14**

* 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:

(₹ in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
	- principal	9,521.94	1,659.07
	- interest	16.45	9.54
(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	-	10.41
(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 the Consolidated Financial Statements

NOTE 29 : CURRENT FINANCIAL LIABILITIES EXCLUDING PROVISIONS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt (refer note 23)	6,958.26	2,028.04
Interest accrued but not due on borrowings	150.16	189.44
Unclaimed dividends	123.08	152.29
Security deposit received	903.00	723.14
Expense payable	2,404.42	1,138.09
Capital creditors	371.98	564.68
Foreign exchange forwards contracts payable	308.28	1,457.16
Payable to employees	2,129.86	3,206.02
Managerial / directors remuneration payable *	624.76	2,281.18
Other payables	29.76	179.34
Total	**14,003.56**	**11,919.38**

* includes balances with related parties (refer note 46)

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	4,725.21	2,195.16
Unearned revenue	41,431.25	33,858.25
Advance from customers	67,313.37	81,300.69
Deferred Government grants (refer note 26.1)	2.70	2.97
Others	4,277.92	2,589.63
Total	**117,750.45**	**119,946.70**

NOTE 31 : SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
-Gratuity (refer note 37)	301.45	525.04
-Leave encashment	267.35	458.65
-Pension provision	195.44	158.71
-Superannuation	-	0.38
	764.24	**1,142.78**
Provision for CSR (refer note 40.1)	101.12	53.30
Provision for warranty (refer note 25.1 & 25.2)	15,167.69	11,380.96
Total	**16,033.05**	**12,577.04**

Notes to the Consolidated Financial Statements

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	475,738.24	505,264.10
Erection, commissioning and related services	48,829.24	65,250.81
Other operating revenue (refer note 32.1)	17,989.25	17,691.25
Total	**542,556.73**	**588,206.16**

Note 32.1 : Other operating revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Export incentives	2,848.39	5,816.59
Packing receipts	1.71	9.08
Unclaimed balances / liabilities no longer required written back	899.72	1,368.05
Sale of scrap and waste	2,438.60	1,615.45
Lease rent receipts (refer note 44)	-	0.23
Foreign exchange fluctuations	4,066.31	4,504.29
Fair value gain on derivatives	1,672.20	1,338.37
Government grant (revenue)	6,053.50	2,991.37
Miscellaneous income	8.82	47.82
Total	**17,989.25**	**17,691.25**

NOTE 33 : OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income		
- On bank deposits	324.64	337.38
- On other deposits and investments	188.45	228.84
- On financial assets measured at amortised cost	7.28	7.25
Total	**520.37**	**573.47**
(b) Dividend income on equity investments	**-**	**0.33**
(c) Net gain on sale of investments	**41.26**	**368.58**
(d) Other non operating income		
- Gain on investments carried at fair value through profit or loss	4.56	242.65
- Government grant (revenue)	4,206.15	1,732.16
- Profit on sale of property, plant and equipment	81.30	21.99
- Sale of scrap and waste	27.89	-
- Miscellaneous income	295.03	269.65
Total	**5,176.56**	**3,208.83**

Notes to the Consolidated Financial Statements

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw material and component consumed	118,957.63	135,614.99
Stores consumed	3,437.67	4,550.42
Total	**122,395.30**	**140,165.41**

NOTE 35 : PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock-in-trade	195,830.86	213,818.76
Provision/(reversal) for foreseeable losses on construction contracts	376.82	1,181.55
Total	**196,207.68**	**215,000.31**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Finished goods	42,409.10	37,291.41
Work-in-progress	53,239.55	52,383.97
Total	95,648.65	89,675.38
Additions - Business combinations	-	(111.03)
Total	**95,648.65**	**89,564.35**
Closing 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**
Translation differences	(224.37)	-
Changes in inventory	10,924.11	(6,084.30)

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	34,807.62	39,333.17
Contribution to provident & other funds	2,834.04	2,197.26
Staff welfare expenses	762.80	666.55
Total	**38,404.46**	**42,196.98**

Notes to the 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:

(₹ in lakhs)

Particulars	2020-21	2019-20
Provident fund	255.33	261.37
Employees state insurance	8.40	13.22
Superannuation fund	47.80	52.15
Group gratuity fund	707.82	90.62
Labour welfare fund	11.55	7.96
National pension scheme	209.21	189.09
Total	**1,240.11**	**614.41**

(b) Defined Benefits Plan

The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

The obligations are as under:

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
i. Change in present value of obligation		
a. Present value of obligation at the beginning of the year	8,302.98	7,662.09
b. Interest cost	565.12	583.30
c. Current service cost	629.57	656.35
d. Benefits paid	(1,081.21)	(622.92)
e. Actuarial (gain) / loss	(318.75)	24.16
f. Present value of obligation at the end of the year	8,097.71	8,302.98
ii. Change in the fair value of plan assets		
a. Fair value of plan assets at the beginning of the year	7,978.43	7,942.74
b. Actual return on plan assets	548.50	610.62
c. Contributions	763.66	149.97
d. Mortality, admin and FMC charges	(24.04)	(20.03)
e. Benefits paid	(1,081.21)	(622.92)
f. Actuarial gain / (loss) on plan assets	(195.22)	(81.94)
g. Fair value of plan assets at the end of the year	7,990.12	7,978.44

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
iii. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets at the end of the year	7,990.12	7,978.44
b. Present value of obligation at the end of the year	8,097.71	8,302.98
c. Amount recognised in the Balance Sheet	(107.59)	(324.54)
- Current liability	301.45	525.04
- Non current liability	15.89	11.66
- Current asset	209.75	212.16
iv. Expenses recognised in the statement of Profit & Loss		
a. Current service cost	629.57	656.35
b. Interest cost	452.10	465.70
c. Expected return on plan assets	(435.48)	(485.38)
d. Actuarial (gain) / loss	-	-
e. Expenses recognised in the Profit & Loss	646.19	636.67
v. Recognised in other comprehensive income for the year		
a. Actuarial gain/(loss) for the year on present benefit obligation	318.75	(24.16)
b. Actuarial gain/(loss) for the year on assets	(195.22)	(81.94)
vi. Actuarial assumptions		
a. Discount rate (per annum)	6.76% - 6.90%	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)	
	2020-21	2019-20
Defined benefit obligation	8,097.71	8,302.98
Plan assets	7,990.12	7,978.44
Surplus / (Deficit)	(107.59)	(324.54)

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
a. Within next twelve months	1,028.66	1,224.71
b. Between one to five years	2,266.20	2,168.02
c. Between five to ten years	4,384.75	4,910.26

Notes to the Consolidated Financial Statements

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2020-21	2019-20
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	7,679.60	8,302.98
(i) Impact due to increase of 0.50%	(329.33)	(334.96)
(ii) Impact due to decrease of 0.50%	356.66	362.83
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	8,097.69	8,302.98
(i) Impact due to increase of 0.50%	355.95	362.14
(ii) Impact due to decrease of 0.50%	(331.72)	(337.40)

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)	
	2020-21	2019-20
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, 2021	As at March 31, 2020
a) Discount rate	6.76%-6.90%	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.

Notes to the Consolidated Financial Statements

(h) Mortality rate (gratuity and leave salary)

	Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
Mortality rate for specimen ages	15	0.000614	45	0.002874	75	0.039637
	20	0.000888	50	0.004946	80	0.060558
	25	0.000984	55	0.007888	85	0.091982
	30	0.001056	60	0.011534	90	0.138895
	35	0.001282	65	0.017009	95	0.208585
	40	0.001803	70	0.025855	100	0.311628

Defined benefits plan- Provident fund

The Company during the year has treated 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 lakhs (March 31, 2020: ₹ Nil lakhs) as worked out by the actuary has been allocated to the entity based on the corpus value of the entity as at March 31, 2021.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.80%	6.80%
Expected guaranteed interest rate	8.50%	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 ₹ 1,593.93 lakhs for provident fund during the year ended March 31, 2021 (March 31, 2020: ₹ 1,582.85 lakhs).

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, 2021	As at March 31, 2020
Discount rate	4.40%	4.60%
Future salary increases	4.00%	4.00%

Notes to the Consolidated Financial Statements

Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	2020-21	2019-20
(a) Impact of the change in discount rate		
(i) Impact due to increase of 1%	(57.64)	(30.16)
(ii) Impact due to decrease of 1%	69.81	36.88
(b) Impact of the change in salary increase		
(i) Impact due to increase of 1%	69.70	34.67
(ii) Impact due to decrease of 1%	(57.77)	(28.71)

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	2020-21	2019-20
a. Within next twelve months	-	-
b. Between one to five years	-	-
c. Between five to ten years	444.17	387.99

(₹ in lakhs)

Particulars	2020-21	2019-20
Change in Present value of obligation		
a. Present value of obligation at the beginning of the year	34.93	12.83
b. Interest cost	1.66	0.86
c. Current service cost	19.24	13.43
d. Benefits paid	-	1.57
e. Actuarial (gain) / loss	6.78	7.32
f. Translation difference	0.84	(1.08)
g. Present value of obligation at the end of the year	63.45	34.93

NOTE 38 : FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest	4,254.30	3,620.95
Other borrowing costs	602.27	319.65
Interest on lease liability	167.76	173.51
Total	**5,024.33**	**4,114.11**

NOTE 39 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant & equipment	8,416.01	8,342.42
Amortisation of intangible assets	952.67	1,235.09
Depreciation/amortisation of right-of-use assets	717.31	541.16
Total	**10,085.99**	**10,118.67**

Notes to the Consolidated Financial Statements

NOTE 40 : OTHER EXPENSE

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power & fuel	3,861.34	3,907.02
Other manufacturing expenses	19,738.35	23,569.65
Rent	615.09	504.93
Repairs to:		
- Plant and machinery	1,519.41	1,672.90
- Building	828.39	719.77
- Others	237.31	316.05
Insurance	1,359.17	1,429.84
Rates and taxes	478.49	357.41
Commission to selling agents and others	794.65	3,549.59
Royalty	1,689.13	680.07
Rebates and discounts	-	13.46
Electricity and water expenses	652.82	691.01
Travelling and conveyance	2,888.75	5,475.58
Packing, forwarding & transportation expenses	14,087.28	18,335.89
Design & technical expenses	5,247.95	5,457.95
Advertising and sales promotion	32.23	203.26
Office & maintenance expenses	9,181.09	9,286.35
Legal and professional charges	1,225.48	4,829.21
Adjustment of expected credit loss	707.10	24.13
Bank charges	1,402.02	1,968.27
Provision for warranties (net of reversals)	(111.57)	-
Net loss / (gain) on foreign currency transactions	7.09	81.87
Loss / (profit) on sale of property, plant and equipment (net)	23.81	71.42
Loss on sales / diminution in value of stores	8.69	10.33
Non executive director's remuneration / sitting fee	27.32	35.85
Fair value loss on derivatives	1,672.20	1,338.37
Other taxes and interest expenses	12.28	-
Donation	1.26	4.12
Payment to auditor		
- as statutory auditor	134.65	40.97
- for taxation matters	0.80	0.25
- for other services	1.60	8.56
- for reimbursement of expenses	2.30	4.07
Managerial remuneration	763.00	2,422.50
Corporate social responsibility expenses (refer note 40.1)	538.85	544.42
Total	**69,628.33**	**87,555.07**

Note 40.1 : Corporate social responsibility

a) Contribution during the year ended March 31, 2021

Gross amount required to be spent by the Group during the year is ₹ 592.05 lakhs. The Group was required to spend the sum of ₹ 87.27 lakhs for the F.Y. 2019-20 and ₹ 504.78 lakhs for the F.Y. 2020-21 totalling to ₹ 592.05. An amount of ₹ 490.94 lakhs has been spent. The balance amount of ₹ 101.11 lakhs will be spent in the next year.

Notes to the Consolidated Financial Statements

b) Amount spent during the year and payable as at March 31, 2021 :

(₹ in lakhs)

Particulars	Year ended March 31, 2021
CSR expense approved by the Board	592.05
Amount spent during the year	
(i) On construction / acquisition of any asset	-
(ii) On purposes other than (i) above	490.94
Amount transferred to the "Unspent CSR Account"	101.11

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 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 2020
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 income from operations	6053.50	2991.37	3773.33	2991.37
	Total of Government grant shown as income from operations (refer note 32)		**6053.50**	**2991.37**	-	-
1	Financial assistance under the Scheme for Creation and Maintenance of Buffer Stock of Sugar	Shown as other income	305.59	1044.56	419.00	986.32
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 other income	2304.72	-	-	-

Notes to the Consolidated Financial Statements

(₹ in lakhs)

SL. No.	Particulars	Treatment in Accounts	Grants recognised in profit or loss		Grants recoverable	
			Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 2020
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 other income	602.39	-	-	-
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 other income	2.97	2.97	-	-
5	Interest subvention @ 12% per annum or at actual rate charged by the bank on soft loan under the "Scheme for Extending Financial Assistance to Sugar Undertakings, 2014" (SEFASU-2014)	Shown as other income	-	24.63	-	-
6	Haryana State Government subsidy on cane crushed during the sugar season 2019-20 and 2020-21	Shown as other income	252.94	660.00	-	-
	Total of Government grant shown as other income (refer note 33)		**3468.61**	**1732.16**	**-**	**-**
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)	2502.61	2598.81	1150.513	869.76
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	389.91	315.02	389.91
	Total of Government grant deducted from respective expenses		**2580.06**	**2988.71**	**-**	**-**
Grand Total of Government grants recognised in the Profit & Loss & Grants Recoverable			**21624.27**	**12435.77**	**5657.85**	**5237.35**

Notes to the Consolidated Financial Statements

NOTE 41 : TAX EXPENSE

Income tax expense

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Current tax**		
	Current tax on profit for the period	9,843.68	7,069.91
	Adjustments for current tax of prior periods	-	-
	Tax of earlier years	(0.34)	-
	Total Current tax expense	**9,843.34**	**7,069.91**
(ii)	**Deferred tax expense**	**463.53**	**(537.86)**
(iii)	**MAT credit entitlement**	**-**	**-**
	Total Income tax expense	**10,306.87**	**6,532.05**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 34.944% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before income tax	35,581.25	21,445.43
Tax at statutory income tax rate	9,712.74	5,749.78
Additional deduction allowed in Income Tax Act for certain expenditure	1,100.87	-
Expenditure for which deduction is not allowed under Income Tax Act	(862.33)	221.03
Differential tax rate on fair value of investments	260.14	71.88
Differential tax rate on sale of investments	(180.36)	(157.80)
Tax on exempt income	(639.94)	(123.30)
Change in tax rate for future period considered for deferred tax	(12.88)	57.93
Other deductions	928.63	712.53
Total	**10,306.87**	**6,532.05**

NOTE 42 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
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 earnings per share	73,529,510	73,529,510
Profit / (loss) for the year attributable to owners of the parent (₹ in lakhs)	24,785.40	14,451.02
Basic earnings per share (in ₹)	33.71	19.65
Diluted earnings per share (in ₹)	33.71	19.65

Notes to the Consolidated Financial Statements

NOTE 43 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in lakhs)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
I	**Contingent liabilities not provided for:**		
a)	Claims against the company not acknowledged as debts	3,470.94	3,384.54
b)	Bonds executed in favour of President of India against Export Promotion Capital Goods License and Advance Authorisations	41,243.67	38,603.35
c)	Bonds/Bank Guarantees executed in favour of Commissioner of Customs against Project Import at Concessional Rate/ Project Authority Certificate	75.97	3,137.30
II	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,217.30	1,036.06

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, 2021	Year ended March 31, 2020
a)	Residential premises	124.52	97.93
b)	Commercial premises	484.35	399.50
c)	Plant and machinery	6.22	7.50
Total		**615.09**	**504.93**

The balance sheet shows the following amounts relating to leases:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets		
Building	2,599.05	2,911.17
Land	2,550.42	2,640.35
Furniture, fittings and equipment	-	-
Total	**5,149.47**	**5,551.52**

The break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020 is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	404.00	519.77
Non-current	2,864.09	2,701.90
Total	**3,268.09**	**3,221.67**

Notes to the Consolidated Financial Statements

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**3,221.67**	-
Additions	(0.05)	1,735.12
Additions - Business combinations	-	1,646.02
Finance cost accrued during the period*	214.63	173.51
Remeasurement of lease	280.33	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Payment for leases	495.71	460.96
Translation difference	47.22	127.98
Balance at the end of the year	**3,268.09**	**3,221.67**

* Finance cost for the year ended March 31, 2021 ₹ 46.71 lakhs was capitalized in property, plant and equipments.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Less than one year	553.98	596.16
(ii) One to five years	2,034.28	2,366.34
(iii) More than five years	1,848.54	1,989.46
Total	**4,436.80**	**4,951.96**

The Company does not face 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 ₹ 615.09 lakhs For FY 2020-21 and ₹ 504.93 lakhs for FY 2019-20.

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, 2021	As at March 31, 2020
(i) Not later than one year	20.07	71.35
(ii) Later than one year and not later than five years	67.14	22.97
(iii) Later than five years	108.32	6.18
Total	**195.53**	**100.50**

Notes to the 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) 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.

Plant Under Construction consists of acquired business of Cavite Biofuels Producers Inc. which is constructing ethanol plant.

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 Operating 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.

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.

Notes to the Consolidated Financial Statements

1 Segment Revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	External	Inter Segment	Total	External	Inter Segment	Total
Manufacturing of Machinery & Equipment	133,665.88	22,617.35	156,283.23	136,615.12	24,642.70	161,257.82
Engineering, Procurement and Construction	329,137.72	16,633.41	345,771.13	392,732.64	168.05	392,900.69
Sugar	78,559.76	-	78,559.76	58,440.92	-	58,440.92
Plant Under Construction	1,081.11	-	1,081.11	389.32	-	389.32
Unallocated	112.26	-	112.26	28.16	-	28.16
Elimination	-	(39,250.76)	(39,250.76)	-	(24,810.75)	(24,810.75)
Segment Total	**542,556.73**	-	**542,556.73**	**588,206.16**	-	**588,206.16**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Manufacturing of Machinery & Equipment	16,446.61	8,441.39
Engineering, Procurement and Construction	17,236.69	15,162.38
Sugar	10,259.32	4,829.79
Plant Under Construction	(870.15)	(628.12)
Unallocated	(3,424.12)	(1,802.90)
Operating Profit Before Interest and Tax	**39,648.35**	**26,002.54**
Less: Interest Expense	(4,422.06)	(3,794.46)
Inter Segment Interest	(158.53)	(1,336.12)
Add: Interest Income	513.49	573.47
Profit Before Tax	**35,581.25**	**21,445.43**

3 Segment Assets and Liabilities

(₹ in lakhs)

Particulars	Segment Assets		Segment Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Manufacturing of Machinery & Equipment	174,529.52	166,780.88	130,182.09	134,380.27
Engineering, Procurement and Construction	331,094.45	289,813.11	265,786.61	227,457.22
Sugar	75,323.52	62,133.08	47,982.12	39,043.09
Plant Under Construction	80,552.75	77,404.51	66,893.45	62,780.66
Unallocated Corporate Assets	71,924.63	90,025.88	12,652.33	36,569.28
Total	**733,424.87**	**686,157.46**	**523,496.60**	**500,230.52**
Less: Inter Segment Assets/Liabilities	(87,394.00)	(90,392.51)	(87,394.00)	(90,392.51)
Total Segment Asset/Liability	**646,030.87**	**595,764.95**	**436,102.60**	**409,838.01**

Notes to the Consolidated Financial Statements

4 Other information

(₹ in lakhs)

Particulars	Capital Expenditure		Depreciation and Amortisation	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Manufacturing of Machinery & Equipment	3,082.21	9,087.87	7,167.29	7,381.29
Engineering, Procurement and Construction	1,719.24	317.59	914.98	1,204.52
Sugar	16,969.72	511.05	889.99	646.64
Plant Under Construction	3,350.33	77,772.12	1,108.40	644.13
Unallocated	-	823.75	5.33	242.54

5 Geographical Information

a) The Company is domiciled in India. The amount of its revenue is broken on the basis of location of customers.

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from external customers		
- Within India	446,372.38	461,370.92
- Outside India		
Thailand	30,833.59	-
Uganda	14,913.73	-
Indonesia	2,045.78	28,722.32
Spain	456.85	29,553.18
Nigeria	1,978.11	13,820.14
Philippines	867.37	10,697.85
Other countries	45,088.92	44,041.75
Total	**542,556.73**	**588,206.16**

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current assets		
- Within India	84,574.79	72,391.30
- Outside India	83,936.36	80,712.38
Total	**168,511.15**	**153,103.68**

Notes to the Consolidated Financial Statements

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	The Yamuna Syndicate Limited	
	Kamla Puri Charitable Trust	
	Kamla Puri Charitable Foundation	
	Blue Water Enterprises	
Key management personnel	Mr. Aditya Puri	Managing Director
	Mrs. Nina Puri *	Whole-time Director
	Mr. Ranjit Puri	Chairman
	Mr. Vinod Kumar Nagpal #	Non Executive Director
	Mr. Tahir Hasan #	Non Executive Director
	Mr. Arun Kathpalia #	Non Executive Director
	Mr. Vinod Kumar Sachdeva#	Non Executive Director
	Mr. Sidharth Prasad	Non Executive Director
	Mr. Vishal Kirti Keshav Marwaha	Non Executive Director
	Mrs. Shivani Hazari	Non Executive Director
	Mr. Sudershan Kumar Khorana	Company Secretary
	Mr. Kishore Chatnani	Chief Financial Officer

* Director retired on March 31, 2021

Directors retired on September 18, 2020

Trust under common control

S. no	Name of the entity in the group	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 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 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 superannuation trust
8	Saraswati Sugar Mills Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
9	Isgec Hitachi Zosen Limited Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
10	The Saraswati Syndicate Employees Group Gratuity cum Life Insurance Scheme	India	Company's employee gratuity trust

Notes to the Consolidated Financial Statements

II Related Party Transactions

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a)	**Purchase of goods**		
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Limited	170.32	425.07
	- Key management personnel		
	Mr. Aditya Puri (Managing Director)	4.07	4.91
	Mr. Ranjit Puri (Chairman)	4.44	4.29
	Total	**178.83**	**434.27**
b)	**Purchase of fixed Assets**		
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Limited	4.90	-
	Total	**4.90**	**-**
c)	**Rendering of services**		
	- Subsidiaries		
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Limited	12.25	12.52
	Total	**12.25**	**12.52**
d)	**Services received**		
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Limited	3.00	3.34
	Total	**3.00**	**3.34**
e)	**Rent received**		
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Limited	3.00	3.00
	Total	**3.00**	**3.00**
f)	**Rent Paid**		
	- Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	69.98	63.62
	- Key management personnel		
	Mrs. Nina Puri (Wholetime Director)	33.00	4.13
	Total	**102.98**	**67.75**
g)	**Key management personnel compensation ^**		
	Mr. Aditya Puri	381.50	1,211.25
	Mrs. Nina Puri *	381.50	1,211.25
	Mr. Sudershan Kumar Khorana	87.60	133.84
	Mr. Kishore Chatnani	76.77	95.06
	Total	**927.37**	**2,651.40**

* Director retired on March 31, 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.

Notes to the Consolidated Financial Statements

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
h)	**Key management personnel remuneration / sitting fees**		
	Mr. Ranjit Puri	4.65	5.45
	Mr. Vinod Kumar Nagpal #	2.41	5.65
	Mr. Tahir Hasan #	2.12	5.25
	Mr. Arun Kathpalia #	1.42	1.35
	Mr. Vinod Kumar Sachdeva #	2.32	5.45
	Mr. Sidharth Prasad	4.85	4.75
	Mr. Vishal Kirti Keshav Marwaha	4.75	4.25
	Mrs. Shivani Hazari	4.35	3.25
	Total	**26.87**	**35.40**
	# Directors retired on September 18, 2020		
i)	**Contribution to trust for post employment benefit**		
	Name of trust	**2020-21**	**2019-20**
	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	1,174.00	1,145.71
	Isgec Employees Group Gratuity cum Life Assurance Scheme	646.70	87.98
	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	51.45	3.08
	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	0.11	0.20
	The Saraswati Syndicate Employees Group Gratuity cum Life Insurance Scheme	-	11.19
	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	0.12	0.10
	Isgec Hitachi Zosen Limited Group Gratuity cum Life Assurance Scheme	75.00	75.00
	Saraswati Industrial Syndicate Limited Superannuation Scheme	51.18	54.68
j)	**Amount payable as at year end**		
	- **Entities over which key management personnel can exercise significant influence**		
	The Yamuna Syndicate Limited	2.11	6.52
	- **Key management personnel**		
	Mr. Aditya Puri (Managing Director)	307.85	1,138.92
	Mrs. Nina Puri (Wholetime Director) *	309.35	1,141.36
	Mr. Ranjit Puri (Chairman)	0.84	0.23
	Mr. Vinod Kumar Nagpal #	0.11	0.23
	Mr. Tahir Hasan #	0.11	0.23
	Mr. Arun Kathpalia #	0.11	0.23
	Mr. Vinod Kumar Sachdeva #	0.11	0.23
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Vishal Kirti Keshav Marwaha	0.23	0.23
	Mrs. Shivani Hazari	0.23	0.23
	Total	**621.28**	**2,288.64**
	* Director retired on Mrach 31, 2021 # Directors retired on September 18, 2020		

Notes to the Consolidated Financial Statements

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
k)	**Amount receivable as at year end**		
	- Entities over which key management personnel can exercise significant influence		
	The Yamuna Syndicate Limited	-	0.20
	Blue Water Enterprises	15.90	15.90
	Total	**15.90**	**16.10**
(l)	**Terms and Conditions**		
	The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is undertaken 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, 2021	As at March 31, 2020
Debt	94,990.88	95,853.99
Less: Cash & cash equivalent	15,454.60	17,973.48
Net debt	79,536.28	77,880.51
Total equity	202,150.49	178,459.79
Total equity and net debt	281,686.77	256,340.30
Net debt to equity ratio (Gearing Ratio)	**28.24%**	**30.38%**

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23 and 27.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call 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

(₹ in lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Dividends Recognized**		
	Dividend for the year ended March 31, 2020 Nil per equity share of ₹ 1/- each	-	1,102.94
	(for the year ended March 31, 2019 ₹ 1.50 per equity share of ₹ 1/- each)		
	Interim dividend during the year ended March 31, 2021 ₹ 2/- per equity share of ₹ 1/- each	1,470.59	1,470.59
(ii)	**Dividend proposed but not recognised in the books of accounts***		
	In addition to the above dividends, for the year ended March 31, 2021 the Board of Directors have recommended the payment of a final dividend of ₹ 1/- per equity share of ₹ 1/- each	735.30	NIL
	(March 31, 2020 Nil per equity share of ₹ 1/- each)		

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

Notes to the Consolidated Financial Statements

NOTE 48 : FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
Financial Asset						
Investments						
-Investments in equity instruments	-	-	-	-	-	-
-Investments in debentures or bonds	-	-	-	-	-	-
-Investments in mutual funds	-	2,100.08	-	-	5,945.48	-
-Other investments	-	2,232.09	-	-	2,253.36	-
Trade receivables	230,358.33	-	-	188,544.52	-	-
Loans	2,900.89	-	-	3,244.27	-	-
Cash and cash equivalents	15,454.60	-	-	17,973.48	-	-
Bank balances	2,479.46	-	-	3,462.80	-	-
Foreign currency forward contracts	-	303.29	-	-	1,463.26	-
Others	6,732.39	-	-	7,160.73	-	-
Total Financial Assets	**257,925.67**	**4,635.46**	**-**	**220,385.80**	**9,662.10**	**-**
Financial Liabilities						
Borrowings	94,990.88	-	-	95,853.99	-	-
Trade payables	162,184.42	-	-	140,869.14	-	-
Forward contracts	-	308.28	-	-	1,457.16	-
Lease liability	3,268.09	-	-	3,221.67	-	-
Other financial liabilities	9,423.14	-	-	8,596.56	-	-
Total Financial Liabilities	**269,866.53**	**308.28**	**-**	**248,541.36**	**1,457.16**	**-**

*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:

Notes to the Consolidated Financial Statements

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, 2020	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	5,945.48	5,945.48	-	-
-Other investments	2,253.36	-	2,253.36	-
Financial investment at FVOCI	-	-	-	-
Foreign currency forward contracts	1,463.26	-	1,463.26	-
Total	**9,662.10**	**5,945.48**	**3,716.62**	**-**
Financial Liabilities				
Forward contracts	1,457.16	-	1,457.16	-
Total	**1,457.16**	**-**	**1,457.16**	**-**
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020				
Financial Assets				
Loan to employees	1,276.94	-	-	1,276.94
Security deposit	1,812.68	-	-	1,812.68
Total	**3,089.62**	**-**	**-**	**3,089.62**
Financial Liabilities				
Borrowings	95,853.99	-	-	95,853.99
Trade payables	140,869.14	-	-	140,869.14
Lease liability	3,221.67			3,221.67
Other financial liabilities	8,596.56	-	-	8,596.56
Total	**248,541.36**	**-**	**-**	**248,541.36**

Notes to the 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)
(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	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	9,423.14	-	-	9,423.14
Total	**269,866.53**	**-**	**-**	**269,866.53**

(ii) Valuation techniques used to determine Fair Value

The Group 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 Group 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 Group 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 the 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 Group'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, 2021 and March 31, 2020.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	4,117.88	3,670.23
Fixed rate borrowings	90,873.00	92,183.76
Total	**94,990.88**	**95,853.99**

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

(₹ in lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Loans repayable on demand (Cash Credit)	6.35%	4,117.88	4.34%	9.30%	3,670.23	3.83%
Net exposure to cash flow interest rate risk		4,117.88			3,670.23	

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
INR	+50	+50	20.59	18.35
	- 50	- 50	(20.59)	(18.35)

Notes to the Consolidated Financial Statements

(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 forward 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 are as follows:

(₹ in lakhs)

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 (assets)	5,052.55	311.89	38.46	1,459.18	6,862.08
Foreign currency exposure as at March 31, 2020	**USD**	**Euro**	**JPY**	**Others**	**Total**
Trade receivables	38,865.77	4,650.51	-	179.61	43,695.89
Bank balances in current accounts and term deposits accounts	1.41	0.01	-	18.96	20.38
Trade payables	6,442.77	776.26	48.39	1.05	7,268.47
Hedged portion	42,395.13	4,746.35	48.39	1.05	47,190.92
Net exposure to foreign currency risk (liabilities)	2,914.82	680.43	-	198.57	3,793.82

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	2020-21		2019-20	
	1% increase	1% decrease	1% increase	1% decrease
USD	50.53	-50.53	29.15	-29.15
Euro	3.12	-3.12	6.80	-6.80
JPY	0.38	-0.38	-	-
Others	14.59	-14.59	1.99	-1.99

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

(c) Price Risk

The Group's exposure to price risk arises from the investment held by the Group. To manage its price risk arising from investments in marketable securities, the Group diversifies its portfolio and is done in 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 sensitivity is provided for the same.

Notes to the Consolidated Financial Statements

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)

Particulars	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2020					
Gross Carrying Amount	122,245.40	47,770.72	6,631.70	13,693.32	190,341.14
Expected Credit Loss	-	-	53.71	1,742.91	1,796.62
Carrying Amount (net of impairment)	122,245.40	47,770.72	6,577.99	11,950.41	188,544.52
As at March 31, 2021					
Gross Carrying Amount	153,412.30	46,048.34	6,245.65	26,805.52	232,511.81
Expected Credit Loss	-	-	19.73	2,133.75	2,153.48
Carrying Amount (net of impairment)	153,412.30	46,048.34	6,225.92	24,671.77	230,358.33

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 the Consolidated Financial Statements

The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

(₹ in lakhs)

Particulars	ECL for Trade Receivables
As at April 1, 2019	**1,772.24**
Provided during the year	26.31
Amounts written off	-
Reversal of provisions	(1.93)
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 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**

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 maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Group's net liquidity position through rolling, forecast on the basis of expected cash flows.

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

(₹ in lakhs)

As at March 31, 2021	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	94,990.88	4,117.88	37,564.00	46,350.74	88,032.62
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 liabilities	9,731.42	-	14,003.56	2,686.12	16,689.68
Total	**270,174.81**	**4,117.88**	**214,155.98**	**51,900.95**	**270,174.81**

(₹ in lakhs)

As at March 31, 2020	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	95,853.99	3,670.23	53,590.18	38,593.58	95,853.99
Trade payables	140,869.14	-	140,869.14	-	140,869.14
Lease liability	3,221.67	-	519.77	2,701.90	3,221.67
Other liabilities	10,053.72	-	9,891.34	162.38	10,053.72
Total	**249,998.52**	**3,670.23**	**204,870.43**	**41,457.86**	**249,998.52**

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, 2021	As at March 31, 2020
Bank overdraft and other facilities	72,633.12	23,917.63

Notes to the Consolidated Financial Statements

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.	M/s Gopinathan Mohandas & Co.	M/s Gopinathan Mohandas & Co.
		Cost Accountants	Cost Accountants	Cost Accountants
		HIG, G-11A, Sector-23, Raj Nagar,	HIG, G-11A, Sector-23, Raj Nagar,	HIG, G-11A, Sector-23, Raj Nagar,
		Ghaziabad-201002 (UP)	Ghaziabad-201002 (UP)	Ghaziabad-201002 (UP)

c)	**Filling of Cost Audit Report**	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
	i) Due Date of Filling of Cost Audit Report	27.09.2021	27.09.2020	27.09.2021	27.09.2020	27.09.2021	27.09.2020
	ii) Actual Date of Filling Cost Audit Report	Not Yet Due	05.08.2020	Not Yet Due	15.09.2020	Not Yet Due	06.08.2020

NOTE 51 : INTEREST IN OTHER ENTITIES

A Summarised financial information of subsidiaries having material non-controlling interests is as follows:

(₹ in lakhs)

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec SFW Boilers Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Country of Incorporation	India		India		India		India	
Assets								
Non-Current Assets	9,795.08	12,827.28	332.55	318.99	99.47	2.20	153.96	190.08
Current Assets	42,768.38	32,234.23	2,416.92	3,144.64	2,043.58	2,262.37	630.74	596.95
Total	**52,563.46**	**45,061.51**	**2,749.47**	**3,463.63**	**2,143.05**	**2,264.57**	**784.70**	**787.03**
Liabilities								
Non-Current Liabilities	2,186.64	5,216.66	184.49	216.08	1.03	5.54	90.95	112.79
Current Liabilities	35,837.40	25,674.67	1,699.91	2,781.32	2,237.87	2,064.79	129.35	265.79
Total	**38,024.04**	**30,891.33**	**1,884.40**	**2,997.40**	**2,238.90**	**2,070.33**	**220.30**	**378.58**
Equity	**14,539.42**	**14,170.18**	**865.07**	**466.23**	**(95.85)**	**194.24**	**564.40**	**408.45**
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	7,124.32	6,943.39	423.88	228.45	(46.97)	95.18	276.56	200.14
Revenue	33,903.73	28,892.20	3,642.46	2,561.20	2,611.25	4,045.03	977.95	649.49
Net Profit/ (Loss)	750.81	697.93	448.84	184.91	(290.08)	33.33	155.38	28.44
Other Comprehensive Income	18.43	(26.73)	-	-	-	-	0.57	0.18
Total Comprehensive Income	769.24	671.20	448.84	184.91	(290.08)	33.33	155.95	28.62
Profit/(Loss) allocated to non-controlling Interests	376.93	328.89	219.93	90.61	(142.14)	16.33	76.41	14.02
Net cash inflow/(outflow) from operating activities	(8,926.69)	7,762.43	2,542.22	(704.64)	(220.86)	(71.72)	173.99	27.45
Net cash inflow/(outflow) from investing activities	(778.51)	(3,314.43)	(55.54)	(33.29)	0.06	5.02	(167.96)	120.96
Net cash inflow/(outflow) from financing activities	7,485.98	(2,397.21)	(1,715.42)	756.53	211.21	37.70	(30.67)	(92.30)
Net cash inflow/(outflow)	(2,219.22)	2,050.79	771.26	18.60	(9.59)	(29.00)	(24.64)	56.11

Notes to the Consolidated Financial Statements

B Summarised financial information of associate is as follows:

(₹ in lakhs)

Particulars	Penwood Project Land Corp.	
	As at March 31, 2021	As at March 31, 2020
Country of Incorporation	Philippines	
Summarised balance sheet		
Assets		
Non-Current Assets	1,733.28	1,696.50
Current Assets	463.20	399.74
Total	**2,196.48**	**2,096.24**
Liabilities		
Non-Current Liabilities	27.00	21.10
Current Liabilities	295.59	286.14
Total	**322.59**	**307.24**
Net assets	**1,873.89**	**1,789.00**
Group share	40.00%	40%
Reconciliation of carrying amounts		
Opening net assets	1,019.48	-
Acquisition during the year	-	934.43
Profit for the year	18.43	10.57
Exchange gain/(loss)	23.17	74.48
Carrying amount	**1,061.08**	**1,019.48**

Notes to the 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, 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
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%	(192.93)
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%	-	-10.57%	(2,662.39)
Total	**100%**	**202,150.49**	**100%**	**24,785.40**	**100%**	**375.89**	**100%**	**25,161.29**

Notes to the Consolidated Financial Statements

B. For the year ended March 31, 2020

(₹ 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
Parent								
Isgec Heavy Engineering Limited	82.40%	147,050.89	105.94%	15,309.54	2.40%	27.50	98.33%	15,337.04
Subsidiaries								
Indian								
Isgec Covema Limited	0.13%	226.35	-0.13%	(19.19)	0.00%	-	-0.12%	(19.19)
Isgec Exports Limited	0.07%	125.02	0.03%	5.02	0.00%	-	0.03%	5.02
Isgec Engineering & Projects Ltd.	0.23%	404.06	0.02%	3.21	0.00%	-	0.02%	3.21
Saraswati Sugar Mills Limited	12.94%	23,089.99	14.62%	2,112.75	-4.81%	(55.17)	13.19%	2,057.58
Freelook Software Private Limited	0.40%	715.73	-0.46%	(67.00)	0.00%	-	-0.43%	(67.00)
Isgec Hitachi Zosen Ltd.	7.94%	14,170.17	4.83%	697.93	-2.33%	(26.72)	4.30%	671.21
Isgec SFW Boilers Private Limited	0.23%	408.45	0.20%	28.44	0.02%	0.18	0.18%	28.62
Isgec Redecam Enviro Solutions Private Limited	0.11%	194.24	0.23%	33.33	0.00%	-	0.21%	33.33
Isgec Titan Metal Fabricators Private Ltd.	0.26%	466.23	1.28%	184.91	0.00%	-	1.19%	184.91
Foreign								
Eagle Press & Equipment Co. Limited	0.26%	455.47	-15.46%	(2,233.43)	6.30%	72.23	-13.86%	(2,161.20)
Isgec Investment PTE Limited	0.00%	6.53	0.01%	1.21	0.00%	-	0.01%	1.21
Bioeq Energy Holdings One	30.86%	55,069.37	-0.01%	(1.70)	0.00%	-	-0.01%	(1.70)
Bioeq Energy Pte Ltd.	30.27%	54,019.24	-0.06%	(8.30)	0.44%	5.09	-0.02%	(3.21)
Bioeq Energy B.V.	30.11%	53,733.79	-0.06%	(8.10)	0.00%	-	-0.05%	(8.10)
Bioeq Energy Holding Corp.	20.05%	35,789.42	-2.71%	(391.24)	57.89%	663.73	1.75%	272.49
Cavite Biofuels Producers Inc.	12.48%	22,277.66	-2.17%	(313.64)	54.28%	622.34	1.98%	308.70
Bukid Verde Inc.	-3.49%	(6,236.58)	-1.81%	(261.83)	-15.35%	(176.02)	-2.81%	(437.85)
Non controlling interest in all subsidiaries	-4.18%	(7,467.14)	-2.99%	(431.49)	1.17%	13.39	-2.68%	(418.10)
Associate								
Foreign								
Penwood Project Land Corporation (PPLC)	0.06%	101.30	0.07%	10.57	0.00%	-	0.07%	10.57
Consolidation adjustments	-121.11%	(216,140.40)	-1.38%	(199.97)	0.00%	-	-1.28%	(199.97)
Total	**100%**	**178,459.79**	**100%**	**14,451.02**	**100%**	**1,146.55**	**100%**	**15,597.57**

Notes to the 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, 2021	Year ended March 31, 2020
Type of services or goods		
Revenue from Manufacturing of Machinery & Equipment	156,283.23	161,257.82
Revenue from Engineering, Procurement and Construction	306,520.37	368,089.94
Sugar	78,559.76	58,440.92
Plant under construction	1,081.11	389.32
Others	112.26	28.16
Total revenue from sale of services or goods	**542,556.73**	**588,206.16**
Revenue from contracts with customers		
Revenue from customers based in India	446,372.38	461,370.92
Revenue from customers based outside India	96,184.35	126,835.24
Total revenue from contracts with customers	**542,556.73**	**588,206.16**
Timing of revenue recognition		
Goods and services transferred over time	306,520.37	368,089.94
Goods and services transferred at a point in time	236,036.36	220,116.22
	542,556.73	**588,206.16**

b. Trade receivables and Contract Customers

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	230,358.33	188,544.52
Contract assets	33,549.10	23,292.33
Contract liabilities	131,545.71	132,682.29

Trade receivables are non-interest bearing and are generally on terms of 0 - 60 days. ₹ 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.

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

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts included in contract liabilities at the beginning of the year	132,682.36	140,134.85
Amount received against contract liability during the year	131,430.87	154,560.77
Performance obligations satisfied during the year	132,567.52	162,013.33
Amounts included in contract liabilities at the end of the year	131,545.71	132,682.29

Notes to the Consolidated Financial Statements

d. Performance obligation and remaining performance obligation

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	541,947.86	533,987.79
(b) When the entity expects to recognise as revenue		
Within one year	61.78%	60.29%
Within two years	32.17%	34.53%
Within five years	6.05%	5.18%
Thereafter	-	-

NOTE 54 : BUSINESS COMBINATIONS (DISCLOSURE PURSUANT TO IND AS 103)

Disclosures pursuant to Ind AS 103 "Business Combinations"

a. Acquisition of Cavite Biofuels Producers Inc., Philippines

b. On October 3, 2019, The Company through its wholly owned subsidiary company, namely Isgec Investment Pte. Ltd., Singapore incorporated in Singapore acquired the business of Cavite Biofuels Producers Inc., Philippines with all its assets and liabilities and group companies. The following group entities were acquired by Isgec Investment Pte. Ltd.

- Bioeq Energy Holdings One, Cayman Islands
- Bioeq Energy Pte Ltd., Singapore
- Bioeq Energy B.V., Netherlands
- Bioeq Energy Holding Corp., Philippines
- Bioeq Shared Services ROHQ
- Bukid Verde Inc., Philippines
- Penwood Project Land Corp., Philippines
- Cavite Biofuels Producers Inc., Philippines

The effective closing was on October 3, 2019 for a purchase consideration of ₹ 7,111.25 ($100). The Company accounted the acquisition by following the purchase method of accounting wherein the total purchase consideration was allocated to all acquired assets and assumed liabilities. The purchase price allocation ('PPA') was undertaken to assess the valuation of assets and liabilities acquired in the acquisition. As permitted under Ind AS 103 "Business Combination", for the year ended March 31, 2020, the company had reported provisional amounts of items for which fair valuation was required to be done. During the current year, the Company has completed the initial accounting at fair value at the acquisition date and thus the comparative information for the year ended March 31, 2020 has been revised.

(₹ in lakhs)

Particulars	Amount
Purchase consideration	
Cash and cash equivalents	0.07
Total	**0.07**
Assets acquired and liabilities recognised on the date of acquisition at fair value are as follows :	
ASSETS	
Non - current assets:	
Property and equipment	3,613.78
Right-of-use assets (net)	1,522.02

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Amount
Capital work - in - progress	36,630.67
Other intangible assets	22.22
Biological assets	131.65
Investments in associates	1,489.72
Input value added tax	553.65
Security deposit	0.75
Other non - current assets	308.18
Total non - current assets	**44,272.64**
Current assets:	
Inventories	26.43
Trade and other receivables	148.91
Cash and bank balances	38.58
Due from related parties	384.97
Prepayments and other assets	132.85
Total current assets	**731.74**
Total assets	**45,004.38**
LIABILITIES	
Non - current liabilities	
Loans and notes payable	25,110.36
Lease liability	1,633.79
Deferred tax liability	436.67
Retirement liability	26.46
Total non - current liabilities	**27,207.28**
Current liabilities	
Trade and other payables	3,132.40
Loans and notes payable	64.55
Lease liability	12.23
Value added tax payable	1.92
Due to related parties	140.22
Total current liabilities	**3,351.32**
Total liabilities	**30,558.60**
Non controlling interest acquired	-
Total net identifiable assets acquired	14,445.78
Consideration paid	0.07
Capital reserve arising from the acquisition	14,445.71

Notes to the Consolidated Financial Statements

NOTE 55 : REVENUE EXPENDITURE ON RESEARCH & DEVELOPMENT

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	157.62	169.78
Contribution to Provident & other Funds	9.26	9.50
Others	23.25	42.48
Total	**190.13**	**221.76**

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, 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 2020-21 is ₹ Nil (previous year: ₹ Nil).

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

Sanjay Kumar
General Manager

Kishore Chatnani
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

Vishal Kirti Keshav Marwaha
Director
DIN: 00164204

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : June 28, 2021


ISGEC
ISGEC

ISGEC HEAVY ENGINEERING LIMITED

Registered Office
Radaur Road, Yamunanagar-135 001
Haryana, India
Website: www.isgec.com

Concept, Content & Design
WYATTPrism COMMUNICATIONS (info@wyatt.co.in)