ISGEC

ANNUAL REPORT






Isgec Heavy Engineering Ltd.

Reports & Accounts for the year ended 31st March 2017

ANNUAL REPORT 2016-17

BOARD OF DIRECTORS

Directors	Mr. Vinod K. Nagpal Mr. Tahir Hasan Mr. Vinod Kumar Sachdeva Mr. Arun Kathpalia Mr. Sidharth Prasad Mr. Vishal Kirti Keshav Marwaha
Whole-time Director	Mrs. Nina Puri
Managing Director	Mr. Aditya Puri
Chairman	Mr. Ranjit Puri
Audit Committee	Mr. Vinod K. Nagpal - Chairman Mr. Arun Kathpalia Mr. Aditya Puri
Executive Director & Company Secretary	Mr. S.K. Khorana
Chief Financial Officer	Mr. Kishore Chatnani
Bankers	State Bank of India Standard Chartered Bank Corporation Bank Punjab National Bank The Hongkong & Shanghai Banking Corporation Ltd. ICICI Bank Ltd. Citibank N. A. Kotak Mahindra Bank Ltd. HDFC Bank Ltd. Yes Bank Ltd. IndusInd Bank Ltd. Export Import Bank of India
Registered Office	Radaur Road, Yamunanagar-135001 Haryana, India

Contents

Board's Report

1.00 The Board hereby presents its Report for the year ended March 31, 2017.

2.00 **FINANCIAL SUMMARY:**

(₹ in lakhs)

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I.	**ASSETS:**			
	Fixed Assets	**47,972.84**	47,047.46	40,978.80
	Other Non-current Assets	**15,437.55**	15,889.58	14,846.08
	Current Assets	**2,73,024.53**	2,77,711.88	2,29,474.98
	Total	**3,36,434.92**	3,40,648.92	2,85,299.86
II.	**EQUITY AND LIABILITIES:**			
	Shareholders' Funds	**1,12,550.24**	95,710.64	78,827.52
	Non-Current Liabilities	**22,221.05**	27,284.83	29,493.53
	Current Liabilities	**2,01,663.63**	2,17,653.45	1,76,978.81
	Total	**3,36,434.92**	3,40,648.92	2,85,299.86

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
III.	Revenue from Operations	**3,11,098.70**	3,95,498.62
	Other Income	**9,323.71**	6,098.92
	Total Revenue	**3,20,422.41**	4,01,597.54
IV.	**Total Expenses**	**2,93,656.19**	3,73,313.68
V.	Profit/(Loss) Before Tax	**26,766.22**	28,283.86
VI.	Tax Expenses including deferred tax	**7,902.83**	9,291.53
VII.	Profit/(Loss) After Tax	**18,863.39**	18,992.33
VIII.	Other Comprehensive Income/(Expense)	**(35.90)**	(339.23)
IX.	Balance carried to Profit and Loss Account	**18,827.49**	18,653.10
X.	Basic/Diluted Earning per Share of ₹ 10 each	**256.54**	258.30

3.00 **DIVIDEND:**

3.01 In the month of January, 2017 the Company declared an Interim Dividend of ₹ 15/- per share. Your Directors are pleased to recommend a Final Dividend of ₹ 15/- per share aggregating ₹ 30/- per share (inclusive of interim and final) for the current financial year. The Final Dividend if approved and declared in the forthcoming Annual General Meeting, would result in a total outflow of ₹ 1102.91 lakhs.

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

4.01 The turnover of the Company was less than the preceding year mainly due to adverse economic environment in both, the domestic and global markets; and deferment of investment decisions by customers due to scarcity of finances.

4.02 In spite of the lower turnover the Company could maintain reasonable profit due to continued and intensive efforts towards cost control and value engineering.

4.03 The order book at the close of the year is good.

4.04 The Company has identified various growth strategy initiatives. One of the business opportunities identified is Air Pollution Control Equipment. The Company has concluded technology tie-up arrangements to cover almost the entire range of Air Pollution Control Equipment required for coal based power plants as also some equipment for other industries.

4.05 These include the incorporation of a Joint Venture Company named Isgec Redecam Enviro Solutions Private Limited, with Redecam S.P.A, Italy, for Bag Filters and Hybrid Filters for particulate Matter Reduction in Cement and Steel Plants.

4.06 The other technology tie-ups were for Selective Non-Catalytic Reduction Units with Fuel Tech, USA for reduction of Nitrogen Oxide (NOx) in Thermal Power Plants and Cement Plants, and for Wet Flue Gas Desulfurization Units with Babcock Power Environmental, USA for reduction of Sulfur Dioxide (SOx) in Thermal Power Plants.

4.07 Technology transfer agreements with regard to other equipment executed during the year are as under:-

A) Cement Machinery:

(i) Pyro Processing and Clinker Cooler Units for Cement Plants with Claudius Peters, Germany and Partner Teknik, Turkey.

B) Presses:

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

C) Water Treatment:

(i) Industrial Waste Water Treatment and Desalination Plants with RWL Water, Israel.

D) Process Plant Equipment:

(i) Screw Plug Heat Exchangers and Process Waste Heater Boilers with TEi, USA.

(ii) Process Fired Heater with Riley Power, USA.

4.08 Some of these tie-ups are expected to result in business in the years to come. No major investments are envisaged for the manufacture of these products.

4.09 In view of the adverse economic environment, the export order booking was less than last year. The appreciation of rupee also affected competiveness adversely.

4.10 However, our focus on exports continued during the year. The efforts included regular visits to existing customers as well as prospective customers, Engineering Procurement and Construction (EPC) companies, International Consultants and also participation in International Exhibitions and Conferences.

4.11 The Company was the Platinum Sponsor at the International Society of Sugarcane Technologists Conference. The officers and consultants of the Company presented six technical papers during the conference.

4.12 The company also participated in Metal Forming Exhibitions in Japan, Indonesia, Russia, Vietnam and Germany.

BOILERS AND AIR POLLUTION CONTROL EQUIPMENT:

4.13 The Boiler Division continued to be the leader in its range of large Industrial Boilers in the Domestic market.

4.14 The Company booked its first order for a Cement-Waste Heat Recovery Boiler and also for a large Blast Furnace Gas Fired Boiler.

4.15 With a focus on delivery, the Division was able to shorten the cycle time of its products. For instance, it commissioned a large Circulating Fluidized Bed Combustion Boiler of 300 tph capacity in less than 15 months.

4.16 Slop Fired Boiler, a pollution control solution for Distilleries, supplied by your Company have been operating well in India and abroad. This has enable the Company to secure more order for such Boilers.

4.17 Electrostatic Precipitators supplied with technology from Envirotherm GmbH, Germany, operated satisfactorily and gained widespread acceptance in the market.

SUGAR PLANTS & MACHINERY:

4.18 The Company continues to be a global leader for the supply of Sugar Plants & Machinery.

4.19 The Company successfully completed four Complete Sugar Plants and seven Modernization and Expansion Projects during the year under report.

4.20 The Company is executing orders for two large Falling Film Evaporators and one large Mill. When commissioned, these will be the largest such Evaporators and Mill to be working in India.

4.21 The business of Projects for Distillery and Sugar Refinery progressed well.

4.22 Orders of two Distillery Plants along with Boiler, Power Plant and Civil Construction (30 KLPD & 40 KLPD) were supplied and commissioned in a record time of 10.5 months. A fresh order for a Distillery of a capacity of 160 KLPD has been received recently.

4.23 The first Standalone Sugar Refinery project is under execution in Indonesia. Fresh orders for Standalone Refineries have been received from Central America. An order has also been received for machinery for a Standalone Refinery with a capacity of 2500 tonnes of refined sugar per day for supply to Saudi Arabia.

4.24 The Division has filed application for Patents for some Sugar Machinery items.

EPC DIVISION:

4.25 The EPC Division continues to be the leader in EPC Power Plants of less than 100 MW.

4.26 The Division has diversified into the projects of material handling and has secured its first such order, which is presently under execution. The Division has also secured its first order for construction of a factory for the Indian Railways, where the Division will supply equipment to the specifications given by the Railways.

PRESSES AND CONTRACT MANUFACTURING:

4.27 The Division, over the years, has developed a sophisticated and technologically advanced range of Presses. This has resulted in record orders.

4.28 The orders for Standard Mechanical Presses (SMP) manufactured at the Bawal Unit of the Company were also at a record level at the close of the year.

4.29 In addition to the Automotive Sector, your Company has secured good orders from Non-Automotive Sectors, including Defence, Dairy and Railways.

4.30 The technical agreement with AP&T, Sweden, will help the Division in getting business for Hot Forming Hydraulic Presses, which will enable car manufacturers to achieve higher safety standards.

PROCESS EQUIPMENT:

4.31 The Government of India has taken initiatives to revive fertilizer units. The implementation of EURO VI emission norms will also involve investments in oil refineries. The market scenario for the coming years is, therefore, optimistic with new projects lined up in the fertilizer and refinery sectors.

4.32 During the year under report, the Company made a break-through in securing orders for High Pressure Exchangers for the Fertilizer sector and High Pressure Feedwater Heaters for the Power sector. Repeat orders for Condensers and Low Pressure Feedwater Heaters were also received.

TUBING AND PIPING:

4.33 As reported last year, the Company increased its Piping manufacturing capacity substantially.

4.34 During the year, the Division received approvals to become a supplier for projects of NTPC, EIL and other reputed Indian and International customers.

4.35 The Division also obtained ASME ‘PP’ certification and received orders for execution with ‘PP’ stamping.

4.36 The Division hopes to book substantial business from both domestic and export markets.

LIQUIFIED GAS CONTAINERS:

4.37 The Company continues to be the leader in the world market for the supply of Chlorine Ton Containers.

4.38 The Division has successfully developed and tested new models of Containers for new generation of Refrigerant Gases. These have also been approved by the Government of India. The Containers supplied for the Refrigerant Gases are working well.

IRON FOUNDRY:

4.39 The Iron Foundry Division had a record turnover during the year. The efforts towards export have fructified and the Division could book good orders from the European market.

STEEL FOUNDRY:

4.40 The market for Steel Castings for Steam Power and Hydro Power sectors was depressed during the year. However, the Unit was able to get good orders from other Sectors such as Pump & Valves.

4.41 Efforts in the recent years to develop sophisticated grades such as duplex, super duplex and nickel based alloys helped the Company to increase its market share.

4.42 As many of the customers want Castings in a finish machined condition, the installation of a finish machining facility by the Unit is in progress.

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

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

(i) The Company made good profits. This enabled the Company to recover the losses incurred during the preceding two years.

(ii) The sugarcane prices and the sugar prices continue not to be linked in the current policy. In the preceding two years, high Sugarcane Prices Fixed by the State Government led a steep increase in Sugarcane and Sugar production. The sugar prices dropped below the cost of production. The industry, as well as your factory, suffered substantial losses.

(iii) This led to huge sugarcane arrears all over India. The Haryana Government gave financial assistance to pay the cane price and your Company has no Sugarcane arrears. The growers reduced sugarcane planting leading to lower sugarcane availability. In addition there were draught conditions in the major sugar producing states of Maharashtra and Karnataka. All India sugar production, therefore, fell sharply during the season 2016-17 and is expected to be around 200 lakh tonnes as against 251 lakh tonnes in the preceding season. Due to lower production sugar prices during the year under report increased substantially and the financial results were excellent.

(iv) In order to control the sugar prices, the Central Government allowed import of 5 lakh tonnes of raw sugar at zero duty. With the result the sugar price reduced somewhat from the peak.

WORKING:

(v) Following the Uttar Pradesh Government, the Haryana Government also increased the sugarcane prices by ₹ 10 per quintal during the season 2016-17. With the result, like the last year, Haryana sugar mills paid the highest cane price in India. The comparative sugarcane prices in Haryana and Uttar Pradesh are as under:-

Variety	Haryana		Uttar Pradesh	
	Season 2016-17 (₹ per Quintal)	Season 2015-16 (₹ per Quintal)	Season 2016-17 (₹ per Quintal)	Season 2015-16 (₹ per Quintal)
Early	320	310	315	290
Mid	315	305	305	280
Late	310	300	300	275

(vi) Consequently, the area under sugarcane increased and so also the availability of sugarcane. The Company, therefore, started crushing operations early and closed later than the preceding season.

(vii) The working of the sugar factory was very good. The sugar recovery though good, was less than the previous year due to climatic factors.

(viii) The Statistical information is given below:-

Particulars	Sugar Season (October to September)	
Saraswati Sugar Mills	**2016-17**	**2015-16**
Date of Start of crushing operations	22.11.2016	28.11.2015
Date of Close of crushing operations	30.04.2017	06.04.2016
Cane Crush (Lakh Tonnes)	14.54	11.91
Recovery (%)	11.36	11.55
Production (Lakh Tonnes)	1.65	1.38

All India	Sugar Season (October to September)	
Production of Sugar (Lakh Tonnes)	** 203	251
Consumption of Sugar (Lakh Tonnes)	**240	248

** These are estimated, as some sugar mills are still crushing. Source: Indian Sugar Mills Association.

(ix) The soft loan given by the Haryana Government during 2014-15 has been repaid. Part of the interest free loan given by the Haryana Government has also been repaid.

Season 2017-18:

(x) As mentioned above the State Advised Price for sugarcane paid by the Haryana mills in the last few sugar seasons was the highest in India. High cane prices encouraged more planting of sugarcane. The availability of sugarcane during the season is likely to increase further.

(xi) As is the case with the sugar Industry, the financial results will depend on the sugarcane price to be announced by the State Government and the sugar prices realized from the market.

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

(i) The financial results continue to be good.

(ii) The Company started the year with heavy order book. Further, the Company received large order from Toyo Engineering India Private Limited in early April 2016. The shops were well loaded.

(iii) The Company's on time delivery performance during the year was good and most customers have appreciated the same.

(iv) During the year the Company has supplied its first Reactor in Vanadium Modified Steel to Bharat Petroleum Corporation Limited (BPCL).

(v) The Market in India during the coming year is likely to be good due to start of investments by Oil Refineries to meet EURO VI norms. Some fertilizer Projects are also expected to start ordering Equipment in this year.

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

(i) The Company has progressed well. The Company has now stand-alone manufacturing unit. Various accreditations, such as ISO and ASME certifications of the unit, are in progress.

(ii) With training and knowledge sharing by Titan Metal Fabricators, the Joint Venture Partner in the Company, the Company could execute orders of two Titanium Tube Bundles for Hindustan Petroleum Corporation Limited (HPCL) and two Tantalum Heat Exchangers for JSW Steels Limited.

(iii) Besides the aforesaid orders, the Company made break-through by booking orders for a Falling Film Evaporator and Calciner Gas Cooler from a Soda Ash Plant in India, 4 Nos. Titanium Tube Bundles from Oman, Hastealloy Internals for supply to Qatar, as well as equipment for Chemical & Paper Plants in India.

(iv) The Company has a good inflow of enquiries from the domestic as well as overseas markets and expect to have a reasonable growth in order booking in the coming year.

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

(i) During the year under report, the Company created Engineering Set-up for executing engineering contracts.

(ii) With training and knowledge sharing by Amec Foster Wheeler, the Company is fully equipped to do Engineering work for International Projects.

(iii) During the year, Amec Foster Wheeler awarded contracts for executing Engineering for two International Projects.

(iv) The Company generated revenue of ₹ 190 lakh.

(v) As for the current year, the Company expects more engineering contracts from Amec Foster Wheeler and has projected a higher revenue for the coming year.

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

(i) The Company is on its way to build organization for sales and proposal engineering.

(ii) The Company is also in the process of getting registered with the end users such as cement plants, steel plants and their consultants.

(iii) Having previous reference of supply by Redecam in India, the Company is expected to do well.

(F) OTHER WHOLLY OWNED SUBSIDIARY COMPANIES:

(i) Free Look Software Private Limited, Isgec Export Limited and Isgec Covema Limited:

There was no commercial activity during the year.

(ii) Isgec Engineering & Projects Limited:

The property purchased by the Company at Kasauli has been let out. There was no other commercial activity during the year.

6.00 EXTRACT OF ANNUAL RETURN:

6.01 An extract of the Annual Return of the Company in prescribed form MGT-9 is annexed herewith, as Annexure-1.

7.00 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

7.01 Seven Board Meetings were held during the year, ended 31st March, 2017.

8.00 DIRECTORS' RESPONSIBILITY STATEMENT:

8.01 Your Directors hereby confirm that:

(a) In the preparation of the Annual Accounts for the financial year 2016-17, 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 Mr. Arun Kathpalia, Mr. Tahir Hasan, Mr. Vinod Kumar Sachdeva and Mr. Vinod Kumar Nagpal, Independent Directors, were reappointed by the Board for a term from April 01, 2017, to until the conclusion of Annual General Meeting to be held in the year 2020, subject to approval of the Shareholders in the next Annual General Meeting.

9.02 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.

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

10.01 The Nomination and Remuneration Committee constituted by the Company has formulated criteria for determining qualifications, positive attributes and independence of the Directors. The Committee has also recommended to the Board a Policy relating to remuneration ensuring:

(i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate key managerial personnel of the quality required to run the company successfully;

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

(iii) remuneration to 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.

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

11.01 There is no qualification, reservation or adverse remark or disclaimer made by the 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.

13.02 The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, are given in the prescribed Form AOC-2, annexed as Annexure-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 value of the order) before accepting any order. All the terms and conditions, both financial and technical, are reviewed. All steps are taken to mitigate risks.

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 Corporate Social Responsibility Committee of the Board of Directors as under:-

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

17.02 In addition to the amount of ₹ 110.63 lakh pertaining to the previous year, the Company was required to spend a further amount of ₹ 372.22 lakh for the year ended 31st March 2017 i.e. an aggregate amount of ₹ 482.85 lakh.

17.03 The Company has spent ₹ 479.25 lakh as under:-

a)	On the Social Projects including expenditure in areas around Yamunanagar, Delhi	:	₹ 239.25 lakh
b)	Contribution to Prime Minister's National Relief Fund	:	₹ 240.00 lakh
	Total	**:**	**₹ 479.25 lakh**

17.04 Balance amount of ₹ 3.60 lakh, provided in the Profit & Loss Account, will be spent during the current year in accordance with the CSR Policy of the Company.

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

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 DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL:

19.01 Mr. Vishal Kirti Keshav Marwaha (DIN 00164204) was appointed as Additional Independent Director during the year.

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

20.01 Isgec Redecam Enviro Solutions Private Limited was incorporated as a Joint Venture Company along with Redecam Group S.p.A., Italy. The total paid-up capital is ₹ 2,00,00,000/-. Your Company has contributed ₹ 102,00,000 i.e. 51% and Redecam Group S.P.A. Italy has contributed ₹ 98,00,000 i.e. 49% subscription towards capital in March 2017.

21.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

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

22.00 INTERNAL FINANCIAL CONTROLS:

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

23.00 COMPOSITION OF AUDIT COMMITTEE:

23.01 The composition of Audit Committee is as below:-

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

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

24.00 REPORT ON CORPORATE GOVERNANCE:

24.01 Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are annexed as Annexure- 6.

25.00 CONSOLIDATED FINANCIAL STATEMENTS:

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

25.02 Further, as required under Rule 5 of the Companies (Accounts) Rules 2014, a statement in form AOC-1 containing salient features of the financial statements of the subsidiary companies is attached as Annexure-7.

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

26.01 Disclosures regarding remuneration as required under Section 197 (12) of the Companies Act, 2013 are annexed as Annexures-8 and 9 respectively.

27.00 VIGIL MECHANISM:

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

28.00 SECRETARIAL AUDIT REPORT:

28.01 The Board of Directors of the Company has appointed M/s. Ranjeet Verma & Associates, Company Secretaries, to conduct the Secretarial Audit.

28.02 Pursuant to Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by Mr. Ranjeet Verma of M/s. Ranjeet Verma & Associates, Company Secretaries, is annexed as Annexure-10.

29.00 PERSONNEL:

29.01 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.

30.00 INDUSTRIAL RELATIONS:

30.01 Industrial relations remained peaceful.

31.00 ACKNOWLEDGEMENTS:

31.01 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.

31.02 With these remarks, we present the Accounts for the year ended March 31, 2017.

BY ORDER OF THE BOARD

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

Date: May 29, 2017
Place: Noida.

ANNEXURE-1

Form No. MGT-9

EXTRACT OFANNUAL RETURN
as on the financial year ended on March 31, 2017
[Pursuant to section 92(3)of the Companies Act, 2013 and rule12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	:	L23423HR1933PLC000097
ii)	Registration Date	:	23/01/1933
iii)	Name of the Company	:	ISGEC HEAVY ENGINEERING LIMITED
iv)	Category / Sub-Category of the Company	:	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
v)	Address of the Registered office and contact details	:	RADAUR ROAD, YAMUNANAGAR-135001, HARYANA, INDIA
vi)	Whether listed Company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. ALANKIT ASSIGNMENTS LTD., ALANKIT HOUSE, 4E/2, JHANDEWALAN EXTN, NEW DELHI-110055 WEBSITE : www.alankit.com PHONE -011-42541234

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Boilers, Sugar & Power Plants	25131	54.53%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

SL. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Saraswati Sugar Mills Limited	U01115HR2000PLC034519	SUBSIDIARY	100%	2(87)
2	Isgec Covema Limited	U52109DL1986PLC025908	SUBSIDIARY	100%	2(87)
3	Isgec Engineering & Projects Limited	U29248HR2007PLC036695	SUBSIDIARY	100%	2(87)
4	Isgec Hitachi Zosen Limited	U28123HR2012PLC045430	SUBSIDIARY AND JOINT VENTURE	51%	2(87)
5	Isgec Exports Limited	U51909DL1996PLC076750	SUBSIDIARY	100%	2(87)
6	Free Look Software Private Limited	U72200DL2005PTC133918	SUBSIDIARY	100%	2(87)
7	Isgec Foster Wheeler Boilers Private Limited	U74900HR2015PTC054608	SUBSIDIARY AND JOINT VENTURE	51%	2(87)
8	Isgec Titan Metal Fabricators Private Limited	U28112HR2015PTC055874	SUBSIDIARY AND JOINT VENTURE	51%	2(87)
9	Isgec Redecam Enviro Solutions Private Limited	U29308HR2017PTC067285	SUBSIDIARY AND JOINT VENTURE	51%	2(87)

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,131,962		1,131,962	15.39	1,131,962		1,131,962	15.39	NIL
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	3,446,573		3,446,573	46.87	3,446,573		3,446,573	46.87	NIL
e) Banks / FI									
f) Any other									
Sub-total(A)(1) :-	**4,578,535**		**4,578,535**	**62.268**	**4,578,535**		**4,578,535**	**62.268**	**Nil**
(2) Foreign									
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total(A) (2) :-									
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	**4,578,535**		**4,578,535**	**62.268**	**4,578,535**		**4,578,535**	**62.268**	**Nil**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	101,946	600	102,546	1.39	218,210	600	218,810	2.98	1.59
b) Banks / FI		2,420	2,420	0.03		2,420	2,420	0.03	Nil
c) Central Govt	1,000		1,000	0.01	1,000		1,000	0.01	Nil
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	154,028		154,028	2.09	17,0291		170,291	2.32	0.23
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total(B) (1) :-	**256,974**	**3,020**	**259,994**	**3.53**	**3,89,501**	**3,020**	**392,521**	**5.34**	**1.81**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	407,721	5,041	412,762	5.61	402,096	5,001	407,097	5.53	-0.08
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	759,529	252,688	1,012,217	13.77	757,495	227,883	985,378	13.40	-0.37
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1,019,543	69,900	1,089,443	14.82	919,520	69,900	989,420	19.71	4.89
iii) Others (specify)									
Sub-total(B) (2) :-	**2,186,793**	**327,629**	**2,514,422**	**34.20**	**2,079,111**	**302,784**	**2,381,895**	**32.39**	**-1.81**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2,443,767**	**330,649**	**2,774,416**	**37.73**	**2,468,612**	**305,804**	**2,774,416**	**37.73**	**0.00**
C. Shares held by Custodian of GDR & ADRs									
Grand Total(A+B+C)	**7,022,302**	**330,649**	**7,352,951**	**100.00**	**7,047,147**	**305,804**	**7,352,951**	**100.00**	**0.00**

ii) Shareholding of Promoters

SI. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	MR. RANJIT PURI	659,201	8.97	NIL	659,201	8.97	NIL	NIL
2	MR. ADITYA PURI	456,808	6.21	NIL	456,808	6.21	NIL	NIL
3	MRS. NINA PURI	15,953	0.22	NIL	15,953	0.22	NIL	NIL
4	THE YAMUNA SYNDICATE LTD.	3,296,526	44.83	NIL	3,296,526	44.83	NIL	NIL
5	N.A. COLD STORAGES PVT. LTD.	150,047	2.04	NIL	150,047	2.04	NIL	NIL
	Total	**4,578,535**	**62.27**	**NIL**	**4,578,535**	**62.27**	**NIL**	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI. No.			Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
a)	Mr. RANJIT PURI	NO CHANGE IN SHAREHOLDING				
b)	Mr. ADITYA PURI	NO CHANGE IN SHAREHOLDING				
c)	Mrs. NINA PURI	NO CHANGE IN SHAREHOLDING				
d)	THE YAMUNA SYNDICATE LTD.	NO CHANGE IN SHAREHOLDING				
e)	N.A. COLD STORAGES PVT. LTD.	NO CHANGE IN SHAREHOLDING				
	Total					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
SI. No. 1	**Mr. Ranjan Tandon**				
1	At the beginning of the year	**438,900**	**5.97**	**438,900**	**5.97**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):				
3	At the End of the year	**438,900**	**5.97**	**438,900**	**5.97**
SI. No. 2	**Shri Paras Ram Holdings Pvt. Ltd.**				
1	At the beginning of the year	**31/03/2016 170,173**	**2.314%**	**170,173**	**2.314%**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	08/04/2016 Transfer 3,242	0.044%	173,415	2.36%
		15/04/2016 Transfer -49	0.000%	173,366	2.36%
		22/04/2016 Transfer -12	0.000%	173,354	2.36%
		29/04/2016 Transfer -741	0.010%	172,613	2.35%
		04/05/2016 Transfer 2,194	0.029%	174,807	2.38%

		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		06/05/2016 Transfer -2,194	0.029%	172,613	2.38%
		13/05/2016 Transfer 2,655	0.036%	175,268	2.38%
		20/05/2016 Transfer 575	0.007%	175,843	2.39%
		27/05/2016 Transfer -55	0.000%	175,788	2.39%
		03/06/2016 Transfer -500	0.006%	175,288	2.38%
		10/06/2016 Transfer -370	0.005%	174,918	2.37%
		17/06/2016 Transfer -55	0.000%	174,863	2.37%
		24/06/2016 Transfer 55	0.000%	174,918	2.37%
		30/06/2016 Transfer -62	0.000%	174,856	2.37%
		01/07/2016 Transfer 35	0.000%	174,891	2.37%
		08/07/2016 Transfer 1	0.000%	174,892	2.37%
		15/07/2016 Transfer -151	0.002%	174,741	2.37%
		22/07/2016 Transfer 47	0.000%	174,788	2.37%
		29/07/2016 Transfer -5	0.000%	174,783	2.37%
		04/08/2016 Transfer 24	0.000%	174,807	2.37%
		12/08/2016 Transfer -32	0.000%	174,775	2.37%
		19/08/2016 Transfer 20	0.000%	174,795	2.37%
		26/08/2016 Transfer 25	0.000%	174,820	2.37%
		02/09/2016 Transfer -29	0.000%	174,791	2.37%
		09/09/2016 Transfer 39	0.000%	174,830	2.37%

		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		16/09/2016 Transfer 58	0.000%	174,888	2.37%
		23/09/2016 Transfer -1	0.000%	174,887	2.37%
		30/09/2016 Transfer -209	0.002%	174,678	2.37%
		07/10/2016 Transfer -23	0.000%	174,655	2.37%
		21/10/2016 Transfer -33	0.000%	174,622	2.37%
		25/10/2016 Transfer -1,145	0.015%	173,477	2.35%
		04/11/2016 Transfer -110	0.001%	173,367	2.35%
		11/11/2016 Transfer 7	0.000%	173,374	2.35%
		18/11/2016 Transfer 33	0.000%	173,407	2.35%
		25/11/2016 Transfer 37	0.000%	173,444	2.35%
		02/12/2016 Transfer 2,027	0.027%	175,471	2.38%
		09/12/2016 Transfer -2,385	0.032%	173,086	2.35%
		16/12/2016 Transfer -276	0.003%	172,810	2.35%
		23/12/2016 Transfer 397	0.005%	173,207	2.35%
		27/12/2016 Transfer 98	0.001%	173,305	2.35%
		06/01/2017 Transfer 30	0.000%	173,335	2.35%
		13/01/2017 Transfer -193	0.002%	173,142	2.35%
		20/01/2017 Transfer 430	0.005%	173,572	2.36%
		27/01/2017 Transfer -11	0.000%	173,561	2.36%

		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		03/02/2017 Transfer 809	0.011%	174,370	2.37%
		10/02/2017 Transfer -1,025	0.013%	173,345	2.35%
		17/02/2017 Transfer 4,977	0.067%	178,322	2.42%
		24/02/2017 Transfer -4,722	0.064%	173,600	2.36%
		03/03/2017 Transfer -537	0.007%	173,063	2.35%
		10/03/2017 Transfer 8	0.000%	173,071	2.35%
		24/03/2017 Transfer 7,087	0.096%	180,158	2.45%
		31/03/2017 Transfer 17,612	0.239%	197,770	2.69%
3	At the End of the year	**197,770**	**2.69%**	**197,770**	**2.69%**
Sl. No. 3	**Goldman Sachs India Fund Ltd.**				
1	At the beginning of the year	**120,934**	**1.64%**	**120,934**	**1.64%**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	04/05/2016 Transfer -18,778	0.25	102,156	1.38%
		06/05/2016 Transfer 18,778	0.25	120,934	1.64
		30/06/2016 Transfer -18778	0.25	102,156	1.38
		31/03/2017 Transfer 254	0.00	102,410	1.39
3	At the End of the year	**102,410**	**1.39**	**102,410**	**1.39**
Sl. No. 4	**Bhanshali Stock Brokers Private Limited**				
1	At the beginning of the year	**75,000**	**1.02**	**75,000**	**1.02**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):				
3	At the End of the year	**75,000**	**1.02**	**75,000**	**1.02**
Sl. No. 5	**Ms. Priya Khanna**				
1	At the beginning of the year	**54,320**	**0.74**	**54,320**	**0.74**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):				
3	At the End of the year	**54,320**	**0.74**	**54,320**	**0.74**

		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sl. No. 6	**Mr. Harsh Pal Sethi**				
1	At the beginning of the year	**50,000**	**0.68**	**50,000**	**0.68**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):				
3	At the End of the year	**50,000**	**0.68**	**50,000**	**0.68**
Sl. No. 7	**Enam Shares & Securities Pvt. Ltd.**				
1	At the beginning of the year	**50,000**	**0.68**	**50,000**	**0.68**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	25/10/2016 Transfer -9050	0.12%	40,950	0.56%
3	At the End of the year	**40,950**	**0.56%**	**40,950**	**0.56%**
Sl. No. 8	**Sundaram Mutual Fund**				
1	At the beginning of the year	**49,464**	**0.67**	**49,464**	**0.67**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	04/05/2016 Transfer 2,512	0.03	51,976	0.70
		06/05/2016 Transfer -2,414	0.03	49,562	0.67
		13/05/2016 Transfer 1,862	0.02	51,424	0.69%
		20/05/2016 Transfer 552	0.00%	51,976	0.70%
		11/11/2016 Transfer 54	0.00%	52,030	0.70%
		18/11/2016 Transfer 620	0.00%	52,650	0.71%
		25/11/2016 Transfer 346	0.00%	52,996	0.72%
		16/12/2016 Transfer 1000	0.01%	53,996	0.73%
		06/01/2017 Transfer -110	0.00%	53,886	0.73%
		13/01/2017 Transfer -240	0.00%	53,646	0.72%
		03/02/2017 Transfer -320	0.00%	53,326	0.72%
		10/02/2017 Transfer -350	0.00%	52,976	0.72%
		24/03/2017 Transfer -438	0.00%	52,538	0.71%

		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		31/03/2017 Transfer -538	0.00%	52,000	0.70%
3	At the End of the year	**49,464**	**0.67**	**49,464**	**0.67**
Sl. No. 9	**Mr. Onkar Nath Aggarwal**				
1	At the beginning of the year	**43,020**	**0.59**	**43,020**	**0.59**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity				
3	At the End of the year	**43,020**	**0.59**	**43,020**	**0.59**
Sl. No. 10	**Mrs. Neeru Aggarwal**				
1	At the beginning of the year	**43,020**	**0.59**	**43,020**	**0.59**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity				
3	At the End of the year	**43,020**	**0.59**	**43,020**	**0.59**

(v) Shareholding of Directors and Key Managerial Personnel:

SI. No. 1	**For Each of the Directors and KMP**	**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. RANJIT PURI, CHAIRMAN		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**659,201**	**8.97**	**659,201**	**8.97**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	No Change.			
3	At the end of the year	**659,201**	**8.97**	**659,201**	**8.97**
SI. No. 2		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. ADITYA PURI, MANAGING DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**456,808**	**6.21**	**456,808**	**6.21**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	No Change.			
3	At the End of the year	**456,808**	**6.21**	**456,808**	**6.21**
SI. No. 3		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MRS. NINA PURI, WHOLE TIME DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**15,953**	**0.22**	**15,953**	**0.22**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	No Change.			
3	At the end of the year	**15,953**	**0.22**	**15,953**	**0.22**

SI. No. 4		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. TAHIR HASAN, DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**1,640**	**0.02**	**1,640**	**0.02**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	No Change.			
3	At the End of the year	1,640	0.02	1,640	0.02
SI. No. 5		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. VINOD KUMAR SACHDEVA, DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**390**	**0.01**	**390**	**0.01**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus / sweat equity etc.):	No Change.			
3	At the End of the year	390	0.01	390	0.01
SI. No. 6		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. VINOD KUMAR NAGPAL, DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**596**	**0.01**	**596**	**0.01**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus / sweat equity etc.):	23/09/2016 Transfer -20	0.00	576	0.00
		29/09/2016 Transfer -80	0.00	496	0.00
		06/10/2016 Transfer -10	0.00	486	0.00
		16/03/2017 Transfer -10	0.00	476	0.00
3	At the end of the year	**476**	**0.00**	**476**	**0.00**
SI. No. 7		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. ARUN KATHPALIA, DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**120**	**0.00**	**120**	**0.00**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):				
3	At the end of the year	**120**	**0.00**	**120**	**0.00**

SI. No. 8		Shareholding at the beginning of the year		Cumulative shareholding during the year	
MR. SIDHARTH PRASAD, DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**0**	**0**	**0**	**0**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus / sweat equity etc.):	0	0	0	0
3	At the end of the year	**0**	**0**	**0**	**0**
SI. No. 9		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. VISHAL KIRTI KESHAV MARWAHA, DIRECTOR		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**0**	**0**	**0**	**0**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):				
3	At the end of the year	**0**	**0**	**0**	**0**
SI. No. 10		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. SUDERSHAN KUMAR KHORANA, EXECUTIVE DIRECTOR & COMPNAY SECRETARY		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**1920**	**0.03**	**1920**	**0.03**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	0	0	0	0
3	At the end of the year	**1920**	**0.03**	**1920**	**0.03**
SI. No. 11		**Shareholding at the beginning of the year**		**Cumulative shareholding during the year**	
MR. KISHORE CHATNANI,HEAD-CORPORATE ACCOUNTS & TREASURY AND CHIEF FINANCIAL OFFICER		**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	At the beginning of the year	**0**	**0**	**0**	**0**
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	0	0	0	0
3	At the end of the year	**0**	**0**	**0**	**0**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(` in Lakhs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	21795.80	9500.00	0.00	31295.80
ii)	Interest due but not paid	0.00	0.00	0.00	0.00
iii)	Interest accrued but not due	84.66	11.81	0.00	96.47
	Total (i+ii+iii)	**21880.46**	**9511.81**	**0.00**	**31392.27**
	Change in Indebtedness during the financial year				
	- Addition	11476.85	4300.00	0.00	15776.85
	- Reduction	24380.46	11811.81	0.00	36192.27
	Net Change	-12903.61	-7511.81	0.00	-20415.42
	Indebtedness at the end of the financial year				
i)	Principal Amount	8956.23	2000.00	0.00	10956.23
ii)	Interest due but not paid	0.00	0.00	0.00	0.00
iii)	Interest accrued but not due	20.62	0.00	0.00	20.62
	Total (i+ii+iii)	**8976.85**	**2000.00**	**0.00**	**10976.85**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(` in Lakhs)

SI. No.	**Particulars of Remuneration**	**Name of MD/WTD/Manager**		**Total Amount**
		Mr. Aditya Puri, Managing Director	**Mrs. Nina Puri, Whole Time Director**	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58.9	27.34	86.24
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.00	0.88	0.88
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission-as % of profit-others, specify…	1353.86	1394.13	2747.99
5	Others, please specify	**0**	**0**	**0**
	•Contribution to PF, Group Gratuity & Superannuation	14.46	4.78	19.24
	•Tax free perquisites	0.06	0.15	0.21
	Total (A)	**1427.28**	**1427.28**	**2854.57**
	Ceiling as per the Act			**2855.40**

B. Remuneration to other Directors:

(` in Lakhs)

SI. No.	**Particulars of Remuneration**	**Name of Directors**						**Total Amount**
		Mr. Vinod Kumar Nagpal, Director	**Mr. Tahir Hasan, Director**	**Mr. Arun Kathpalia, Director**	**Mr. Vinod Kumar Sachdeva, Director**	**Mr. Sidharth Prasad, Director**	**Mr. Vishal Kirti Keshav, Director**	
1	**Independent Directors**							
•	Fee for attending board/committee meetings	2.46	2.01	1.61	2.13	1.72	0.29	10.22
•	Commission	0.29	0.29	0.29	0.29	0.26	0.00	1.42
•	Others, please specify	-	-	-	-	-		-
	Total (1)	**2.75**	**2.3**	**1.9**	**2.42**	**1.98**	**0.29**	**11.64**

2	**Other Non-Executive Directors**	**Mr. Ranjit Puri, Chairman**						
•	Fee for attending board / committee meetings	1.84						
•	Commission	0.29						
•	Others, please specify	-						
	Total (2)	**2.13**						**2.13**
	Total (B)=(1+2)							**13.77**
	Total Managerial Remuneration							**2868.34**
	Overall Ceiling as per the Act							**3140.94**

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(` in Lakhs)

SI. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sudershan Kumar Khorana, Executive Director & Company Secretary	Mr. Kishore Chatnani, Head-Corporate Accounts & Treasury and Chief Financial Officer	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	129.20	57.62	186.82
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.25	1.46	1.71
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission-as % of profit-others, specify…	0	0	0
5	Others, please specify	0	0	0
•	Contribution to PF	5.38	4.25	9.63
•	Tax free perquisites	0.78	0.78	1.56
	Total	135.61	64.11	199.72

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE-2

Particulars of Loans, Guarantees and Investment under Section 186 of Companies Act 2013, as on 31.03.2017

Sr. No.	Nature of the transaction (Loans given / Guarantee given / Security provided / Investments made)	Purpose for which the loan/guarantee/ security is purposed to be utilised by the recipient	Amount (₹ in Lakhs)
(1)	**Loan to wholly owned subsidiary company**		
	Saraswati Sugar Mill Limited	Working Capital Funding	7,270.00
			7,270.00
(2)	**Guarantees to Banks for Isgec Hitachi Zosen Limited.**		
	Standard Chartered Bank	Corporate Guarantee to Secure Working Capital Debt and Term Loan	9,515.50
	State Bank of Patiala	Corporate Guarantee to Secure Working Capital Debt	11,500.00
	Kotak Mahindra Bank Limited	Corporate Guarantee to Secure Working Capital Debt	7,500.00
	HDFC Bank Limited	Corporate Guarantee to Secure Working Capital Debt	8,500.00
	HSBC Bank	Corporate Guarantee to Secure Working Capital Debt	4,000.00
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Debt	6,500.00
	BNP Paribas Bank Limited	Corporate Guarantee to Secure Working Capital Debt	4,000.00
	ANZ Grindlays	Corporate Guarantee to Secure Working Capital Debt	2,500.00
			54,015.50

(3)	**Guarantees to Banks for Isgec Titan Metal Fabricators Pvt. Ltd,**		
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Debt	2,200.00
			2,200.00

(4)	Investment	Face Value ₹ per Share / Unit	No. of Shares/ Units	Value ₹ in Lakhs
a)	**Equity Shares of Subsidiary & Joint Venture Companies (At cost):**			
	Isgec Covema Limited - Wholly owned subsidiary	10	2000000	200.00
	Isgec Exports Limited - Wholly owned subsidiary	10	100000	10.00
	Isgec Engineering & Projects Limited - Wholly owned subsidiary	10	4000000	400.00
	Saraswati Sugar Mills Limited - Wholly owned subsidiary	10	7099900	7,009.99
	Freelook Software Private Limited - Wholly owned subsidiary	10	24650	1,306.45
	Isgec Hitachi Zosen Limited - Joint Venture Company	10	5100000	5,100.00
	Isgec Foster Wheeler Boilers Pvt. Limited - Joint Venture Company	10	1020000	102.00
	Isgec Titan Fabricators Pvt. Limited - Joint Venture Company	10	510000	51.00
	Isgec Redecam Enviro Solutions Pvt. Limited - Joint Venture Company	10	1020000	102.00
b)	**Equity Shares of other Companies (At cost):**			
	Reliance Industries Limited	10	704	3.36
	Reliance Power Limited	10	872	2.46
	Ajanta Pharma Limited	10	453	6.50
	Amara Raja Batteries Limited	10	1295	11.67

		Face Value ₹ per Share / Unit	No. of Shares/ Units	Value ₹ in Lakhs
	Asian Paints Limited	10	971	8.54
	Bajaj Finance Limited	10	1400	9.94
	Bajaj Finserv Limited	10	343	10.77
	Blue Dart Express Limited	10	217	13.08
	Dalmia Bharat Limited	10	348	5.99
	Eicher Motors Limited	10	51	9.91
	Gruh Finance Limited	10	3497	8.61
	HDFC Bank Limited	10	993	10.59
	Hindustan Petroleum Corporation Limited	10	2478	2.69
	Kajaria Ceramics Limited	10	1920	9.36
	Lupin Limited	10	730	10.70
	Maruti Suzuki India Limited	10	218	12.13
	Max Financial Services Limited	10	1732	9.85
	Motherson Sumi Systems Limited	10	3509	9.18
	National Buildings Construction Corporation Limited	10	7213	9.32
	P I Industries Limited	10	1579	9.02
	Page Industries Limited	10	83	10.58
	Ramco Cements Limited	10	1698	9.72
c)	**Other Investments (At cost):**			
	SVC Co-operative Bank Limited	100	25	0.03
	Non Convertible Debentures of Canara Bank	1000000	50	500.00
	Non Convertible Debentures of ECL Finance Limited	1000	50000	500.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-575	100000	500	500.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-604	100000	1000	1,000.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-608	100000	1000	1,000.00
	Non Convertible Debentures of Reliance Capital Limited NCD Series-B/406	100000	1000	1,000.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-629	100000	2500	2,500.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-632	100000	2500	2,500.00
	Non Convertible Debentures of Edelweiss Finance & Investment Limited NCD Series-L7L501A	100000	300	300.00
	7.17% NHAI Bonds		28	284.60
	7.18% NABARD Bonds		30	300.47
	7.40% PCF Bonds		10	103.54
	7.47% PCF Bonds		14	145.60
	7.60% Axis Bank Bonds		20	201.98
	7.60% ICICI Bonds		50	513.98
	8.22% Daimler Financial Bonds		47	470.00
	8.73% LIC HF Bonds		25	258.59
	Indiabulls Housing Finance Limited Bonds		11	110.00
d)	**Fixed Deposits with :**			
	HDFC Limited			500.00
	Mahindra & Mahindra Financial Services Limited			99.00
	Bajaj Finance Limited			600.00
	PNB Housing Finance Limited			1,000.00
	Dewan Housing Finance Corporation Limited			400.00
	Total :			**29,263.20**
	Grand Total :			**92,748.70**

ANNEXURE-3

Form No. AOC-2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including c**ertain 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 including the value, if any:	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 of ₹ 10.38 lakhs during the year		NIL
2	Saraswati Sugar Mills Limited	Subsidiary Company	Sale of Goods	1 Year	Supply of Sugar Machinery & Equipment of ₹ 34.55 lakhs during the year		NIL
3	Saraswati Sugar Mills Limited	Subsidiary Company	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 12.00 lakhs during the year		NIL
4	ISGEC Hitachi Zosen Limited	Joint Venture Company 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 of ₹ 2835.00 lakhs received during the year.	13-01-2012	NIL
5	ISGEC Hitachi Zosen Limited	Joint Venture Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Raw Materials of ₹ 1.21 lakhs during the year		NIL
6	ISGEC Hitachi Zosen Limited	Joint Venture Company with 51% Shareholding	Sale of Materials	1 Year	Sale of Materials of ₹ 566.65 lakhs during the year		NIL
7	ISGEC Hitachi Zosen Limited	Joint Venture Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of services of ₹ 478.00 lakhs during the year		NIL
8	ISGEC Hitachi Zosen Limited	Joint Venture Company with 51% Shareholding	Services Received	1 Year	Services received of ₹ 62.84 lakhs during the year		NIL
9	ISGEC Titan Metal Fabricators Private Limited	Joint Venture Company with 51% Shareholding	Sale of Goods	1 Year	Sale of Materials of ₹ 0.94 lakhs during the year		NIL
10	ISGEC Titan Metal Fabricators Private Limited	Joint Venture Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 14.42 lakhs during the year		NIL
11	ISGEC Titan Metal Fabricators Private Limited	Joint Venture Company with 51% Shareholding	Services Received	1 Year	Services received of ₹ 2.79 lakhs during the year		NIL
12	ISGEC Foster Wheeler Boilers Private Limited	Joint Venture Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 136.97 lakhs during the year		NIL
13	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Purchase of Goods	1 Year	Purchase of electrical goods, Oil & Lubricants of ₹ 60.33 lakhs during the year		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 including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
14	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Purchase of Capital Goods	1 Year	Purchase of Capital Goods of ₹ 5.34 lakhs during the year		NIL
15	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 of ₹ 33.27 lakhs during the year		NIL
16	The Yamuna Syndicate Limited	Public Company in which Directors and their relatives hold more than 2 % of paid up Share Capital	Services received	1 Year	Services received of ₹ 0.21 lakhs during the year		NIL
17	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 ₹ 0.39 lakhs during the year on lease of office building.		NIL
18	Isgec Engineering & Projects Limited	Subsidiary Company	Rent Paid	1 Year	Rent of ₹ 8.64 lakhs paid during the year on lease of Building.	31-10-2015	NIL
19	Bluewater Enterprises	Firm in which Director is Partner	Rent Paid	10 Years	Rent of ₹ 70.68 lakhs paid during the year on lease of Office Building	31-01-2009	NIL
20	Mr Ranjit Puri	Chairman	Chairman	1 Year	Remuneration of ₹ 0.29 lakhs and Directors sitting fee of ₹ 1.84 lakhs incurred during the year		NIL
21	Mr Aditya Puri	Managing Director	Managing Director	1 Year	Remuneration of ₹ 1427.68 lakhs incurred during the year.		NIL
22	Mrs. Nina Puri	Wholetime Director	Wholetime Director	1 Year	Remuneration of ₹ 1427.68 lakhs incurred during the year.		NIL
23	Mr. Vinod K. Nagpal	Director	Director	1 Year	Remuneration of ₹ 0.29 lakhs and Directors sitting fee of ₹ 2.47 lakhs incurred during the year		NIL
24	Mr. Tahir Hasan	Director	Director	1 Year	Remuneration of ₹ 0.29 lakhs and Directors sitting fee of ₹ 2.01 lakhs incurred during the year		NIL
25	Mr. Arun Kathpalia	Director	Director	1 Year	Remuneration of ₹ 0.29 lakhs and Directors sitting fee of ₹ 1.61 lakhs incurred during the year		NIL
26	Mr. Vinod Kumar Sachdeva	Director	Director	1 Year	Remuneration of ₹ 0.29 lakhs and Directors sitting fee of ₹ 2.13 lakhs incurred during the year		NIL
27	Mr. Sidharth Prasad	Director	Director	1 Year	Remuneration of ₹ 0.27 lakhs and Directors sitting fee of ₹ 1.72 lakhs incurred during the year		NIL
28	Mr. Vishal Kirti Keshav Marwaha	Director	Director	1 Year	Directors sitting fee of ₹ 0.29 lakhs incurred during the year		NIL

ANNEXURE-4

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

A. CONSERVATION OF ENERGY:

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

Energy Conservation process continued during the year. The steps taken include:-

(i) Inducted Regasified Liquefied Natural Gas from GAIL to replace use of HSD and LPG to run our furnace operations thereby saving up to 40% in fuel cost and using clean energy reducing carbon foot print.

(ii) Replacing lower rating air conditioners with five star air conditioners to save power consumption by 20%.

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

(i) Installed 350 KW Solar Power Plants at our Rattangarh and Yamunanagar plants. This will provide clean energy reducing our carbon foot print further.

(ii) Replacement of the old roofing sheets in the workshops with polycarbonate transparent sheets to improve natural lighting and avoid the usage of electric lights during day light hours.

(iii) Installation of wind energy operated ventilator fans on the roofs of workshops to improve ventilation, light and natural air cooling of the workspace.

(c) **The Capital Investment on energy conservation equipment:** Approximately ₹ 165 lakh.

B. TECHNOLOGY ABSORPTION:

(i) **the efforts made towards technology absorption:**

(a) The Company has the following Technology Agreements:-

1. With Amec Foster Wheeler North America Corp:

(i) For Circulating Fluidized Bed Combustion (CFBC) Boilers up to 99.9 Mwe;

(ii) For Oil & Gas, Shop Assembled Water Tube Packaged Boilers up to 260 Tonnes per hour;

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

(iv) For Feed Water Heaters and Surface Condensers.

(v) For Reheat design for CFBC Boilers up to 100 MW.

2. With BOSCH Projects, South Africa, for transfer of technology for manufacture of Chainless Cane Diffusers and other sugar machinery equipment.

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

4. With Hitachi Zosen Corporation, Japan, for critical equipment for Fertilizer and Oil & Gas Sectors with their back-up for engineering and supervision during manufacturing in India.

5. With NEM Energy b.v Netherlands for design, fabrication and installation of Drum type Heat Recovery Steam Generators.

6. With CB&I Lummus for design and manufacture of Helix Heat Exchangers.

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

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

1. Air Pollution Control Equipments

(i) With Fuel Tech, USA, for Selective Non-Catalytic Reduction (SNCR) for NOx reduction in various units of Thermal, Cement, Steel and others.

(ii) With Redecam, Italy, for Bag Filters, Hybrid Filters and Electrostatic Precipitators (ESPs) for Particulate Matter reduction (Joint Venture).

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

2. Cement

(i) With Claudius Peters, Germany and Partner Tehnik, Turkey for Pyro Processing and Clinker Cooler packages for Cement Plants.

3. Presses

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

4. Water Treatment

(i) With RWL, Israel for Industrial Waste Water Treatment and Desalination Plant.

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

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

The technology under these agreements will be absorbed in the next few years as and when the manufacture and sale of these products start.

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

With technology absorption under the Collaboration Agreements and efforts of our technical people, there has been an improvement in design and controls in cost, enabling the Company to grow, both in terms of turnover, as well as in profit.

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

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

a) Details of technology imported	Heat Recovery System Generators from NEM Netherlands	Nosing Press Plant, Forging Plant, Forging Complex Press and Straightening Press from Neuson Hydrotec GmbH, Gaisbergerstraße 52, 4030 Linz, Austria.	Selective Non-Catalytic Reduction (SNCR) with M/s. Fuel Tech, USA, for NOx reduction in various units of Thermal, Power, Cement, Steel and others.	Wet Flue Gas De-sulpharization unit from M/s. Babcock Power Environmental, USA, for reduction of SOx.	Pyro Processing and Clinker Cooler packages for Cement Plants from M/s. Claudius Peters, Germany and Partner Tehnik, Turkey.	Hot Stamping Presses from M/s. AP & T., Sweden	Industrial Waste Water Treatment and Desalination Plant from M/s. RWL, Israel and M/s. ADI, Canada.	Screw Plug Heat Exchanger and Process Waste Heater Boiler from M/s. TEI, USA.	Process Fired Heaters from M/s. Riley Power, USA.
(b) Year of Import	Year ended 31st March, 2014.	Year ended 31st March, 2016.	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017	Year ended 31st March, 2017
(c) Whether technology has been fully absorbed	Yes	Not yet.	Not yet	Not yet	Not yet	Not yet	Not yet	Not yet	Not yet
(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	Not applicable	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.	The agreement has been entered into recently and technology will be absorbed within the next few years as and when the manufacture and sale of these products start.

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

(i) Total Foreign Exchange Earning and outgo (2016-17)

	(Amount in ₹ Crores)
- Foreign Exchange Earnings	1282.92
- Foreign Exchange Outgo	289.22

ANNEXURE 5

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

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

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

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

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

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

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

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

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

(x) Rural development projects.

(xi) Slum area development.

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

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

(xiii) The CSR Policy of the company is available on web-link http://www.isgec.com/aboutus-csr-policy.asp?lk=ab21.

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

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

3. Average net profit of the company for last three financial years : ₹ 18,610.95 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 372.22 Lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ 482.85 Lakhs, including ₹ 110.63 Lakhs unspent amount of previous year.

(b) Amount unspent, if any: ₹ 3.60 Lakhs

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

1)	2)	3)	4)	5)	6)	7)	8)
Sl. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) projects or programs- wise (₹ In Lakhs)**	**Amount spent on the projects or programs Sub -heads (1) Direct Expenditure on projects or programs (2) Over-heads (₹ In Lakhs)**	**Cumulative expenditure up to the reporting period (₹ In Lakhs)**	**Amount spent Direct or through implement-ing agency**
1	Provision of :- Water Cooler(1 Nos.) , Submersible hand pump (1 Nos.) and Tri cycle (2 Nos.)	Promotion of sanitation and safe drinking water	District Jail, Jagadhri , Districts of Yamunanagar and Kurukshetra in Haryana	1.90	1.69	1.69	Direct
2	Contribution to Family Planning Association of India	Promoting preventive health care	Mumbai	21.00	21.00	21.00	Family Planning Association of India
3	Renovation of MCD primary Schools	Promoting Education	New Delhi	11.50	11.50	11.50	Rotary club of Delhi Garden City Charitable Trust
4	Construction , Renovation and Development of school and Its building for Local tribes	Promoting Education	Jhagadia, District Bharuch, Gujarat	25.00	25.00	25.00	Shri Bharuch Jilla Aadivasi Pragati Mandal , Valiya
5	Laying of water pipeline from Rattangarh Village to Gram Panchyat	Rural Development Projects	Rattangarh Village, District of Yamunanagar in Haryana	21.25	21.10	21.10	Direct
6	Contribution for Renovation of Nai Disha School	Promoting Education	Kishangarh, New Delhi	10.23	10.23	10.23	Nai Disha Education and Cultural Society
7	Provide In house washing and Drying facilities	Preventive health care and sanitation	New Delhi	4.76	4.76	4.76	The Blind Relief Association
8	Football coaching for under Privileged Children.	Training to Promote nationally recognized Sports	New Delhi	5.00	5.00	5.00	India Youth Soccer Association
9	Provision of:- Laminated Green Chalk Boards (1438 Nos.), desk Bench (25 Nos.) for various Schools	Promoting Education	Districts of Yamunanagar and Kurukshetra in Haryana	26.20	23.96	23.96	Direct

1)	2)	3)	4)	5)	6)	7)	8)
Sl. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) projects or programs- wise (₹ In Lakhs)**	**Amount spent on the projects or programs Sub -heads (1) Direct Expenditure on projects or programs (2) Over-heads (₹ In Lakhs)**	**Cumulative expenditure up to the reporting period (₹ In Lakhs)**	**Amount spent Direct or through implement-ing agency**
10	Renovation of Govt. Girls Senior Secondary School , Yamunanagar (Haryana)	Promoting Education	Schools in old Subzi Mandi/ Bilaspur/ Buria / Model Town areas in Districts of Yamunanagar and Kurukshetra in Haryana	82.25	77.27	77.27	Direct
11.	Contribution to Prime Minister's National Relief Fund	Relief to families of those killed in natural calamities, victims of major accidents, riots and major medical treatment.	New Delhi	240.00	240.00	240.00	Prime Minister's National Relief Fund
12	Stipend Paid to Apprentices selected for Training & Skill development	Promoting employment by enhancing vocational Skills	District of Yamunanagar in Haryana	15.45	15.45	15.45	Direct
13	Salary Paid to personnel involved in CSR Activities	Promoting CSR Activities	District of Yamunanagar in Haryana and New Delhi	22.29	22.29	22.29	Direct
	TOTAL			**486.83**	**479.25**	**479.25**	

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

The Company was required to spend a sum of ₹ 110.63 Lakhs for the financial year 2015-16 and ₹ 372.22 Lakhs for the financial year 2016-17 totaling to ₹ 482.85 Lakhs . An Amount of ₹ 479.25 Lakhs has been spent as detailed above. The balance minor amount of ₹ 3.60 Lakhs has been provided in the Balance Sheet. This amount will be spent next year.

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

The Company has spent the amount as mentioned above in accordance with the CSR Policy and shall be spending the balance amount of ₹ 3.60 Lakhs to achieve the CSR objectives and in compliance of the CSR Policy of the Company during the current year.

Aditya Puri
(Managing Director)

Ranjit Puri
(Chairman –CSR Committee)

ANNEXURE - 6

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 (LODR).

The Company also fulfills its obligations of compliance with regard to appointment of Compliance Officer, filling 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 confirmative with the Regulation 17 of LODR. The Board comprises of a Non-Executive Chairman (Promoter), two Executive Directors (Promoters) and seven Non-Executive Independent Directors.

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

Name of the Director	No. of Board Meetings attended	Whether attended the last Annual General Meeting	Directorships and Committee Memberships in other companies as disclosed			
			Public	Private	Committee Membership	Committee Chairman-ship
Non-Executive Chairperson & Promoter						
Mr. Ranjit Puri	6	Yes	4	-	2	1
Executive Directors & Promoters						
Mr. Aditya Puri, Managing Director	7	Yes	9	-	3	2
Mrs. Nina Puri, Whole-time Director	7	No	1	-	-	-
Non-Executive Independent Directors						
Mr. Vinod K. Nagpal	7	Yes	1	3	-	-
Mr. Tahir Hasan	7	Yes	4	1	-	3
Mr. Arun Kathpalia	4	No	-	3	-	-
Mr. Vinod Kumar Sachdeva	7	Yes	1	-	-	-
Mr. Sidharth Prasad	6	Yes	4	9	-	-
Mr. Vishal Kirti Keshav Marwaha*	1	No	5	-	4	1

* Mr. Vishal Kirti Keshav Marwaha was appointed on March 30, 2017.

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

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

- May 26, 2016
- August 10, 2016
- September 3, 2016
- November 19, 2016
- January 10, 2017
- February 4, 2017
- March 30, 2017

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

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

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

Sl. No.	Name of Director	Number of Shares held
01.	Mr. Vinod K. Nagpal	476
02.	Mr. Tahir Hasan	1640
03.	Mr. Arun Kathpalia	120
04.	Mr. Vinod Kumar Sachdeva	390
05.	Mr. Sidharth Prasad	Nil
06.	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.asp?lk=ab15

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 LODR.

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

Sl. No.	Name of the Committee Member	No. of meetings attended	Number of Meetings and Dates of Meeting held	
			Number of Meetings	Date of Meetings
1.	Mr. Vinod K. Nagpal, Chairperson	4	4	May 26, 2016, September 03, 2016, November 19, 2016 and February 04, 2017
2.	Mr. Arun Kathpalia, Member	4		
3.	Mr. Aditya Puri, Member	4		

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

4. Nomination and Remuneration Committee:

(a) Brief description of terms of reference:

The terms of reference of Nomination and Remuneration Committee are to perform the functions as provided under sub section (2), (3) & (4) of section 178 of the Companies Act, 2013. In addition, the Nomination and Remuneration Committee keeps in view its role as specified in para (d) of Schedule-II of LODR.

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

Sl. No.	Name of the Committee Member	No. of meetings attended	Number of Meetings and Dates of Meeting held	
			Number of Meetings	Date of Meetings
1.	Mr. Vinod K. Nagpal, Chairperson	2	2	May 26, 2016 and March 30, 2017
2.	Mr. Vinod Kumar Sachdeva, Member	2		
3.	Mr. Arun Kathpalia, Member.	2		

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 Non-Executive Directors: **(₹ in Lakhs)**

Sl. No	Particulars	Mr. Aditya Puri Managing Director	Mrs. Nina Puri Whole Time Director	Total
(i)	Salary	58.90	27.34	86.24
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	14.46	4.78	19.24
(iii)	Other Perquisites	0.06	1.03	1.09
(iv)	Commission	1,353.86	1,394.13	2,747.99
	Total	**1,427.68**	**1,427.68**	**2,854.57**

(ii) Non-Executive Directors:

Details of Remuneration paid to Non-Executive Directors:

Sl. No	Name of Director	Nature of Payment & Amount (₹)		Total Amount (₹)
		Remuneration*	Sitting Fee*	
01.	Mr. Vinod K. Nagpal	28,750	247,075	2,75,825
02.	Mr. Tahir Hasan	28,750	201,125	2,29,875
03.	Mr. Ranjit Puri	28,750	183,875	2,12,625
04.	Mr. Arun Kathpalia	28,750	160,825	1,89,575
05.	Mr. Vinod Kumar Sachdeva	28,750	212,625	2,41,375
06.	Mr. Sidharth Prasad	26,567	172,375	1,98,942
07.	Mr. Vishal Kirti Keshav Marwaha	137	28,750	28,887
	Total	**1,70,454**	**12,06,650**	**13,77,104**

* Remuneration and Sitting Fees are inclusive of service tax.

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 2016-2017. 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:

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

(b) Name and designation of Compliance Officer:

Mr. S.K. Khorana, Company Secretary.

(c) Number of 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 04, 2014	Office premised of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana	11:00 A.M.
August 08, 2015		11:00 A.M.
August 10, 2016		11:30 A.M.

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

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 04, 2014.

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

(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 Standard (English) and

(ii) Hari Bhoomi (Hindi).

(c) Any website, where displayed:

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

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

(d) Whether it also displays official news releases:

There was no official news release.

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

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

9. General Shareholder information:

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

Annual General Meeting will be held on July 29, 2017 at 11.30 AM at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana.

(b) Financial Year:

1st April, 2016 to 31st March, 2017.

(c) Dividend Payment Dates:

(i) 25th January, 2017 for Interim Dividend.

(ii) 14th August, 2017 for final Dividend.

(d) Listing on Stock Exchange:

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

It is confirmed that Payment of Annual Listing Fee for Financial year 2017-18 has been made by Company to stock exchange.

(e) Stock Code:

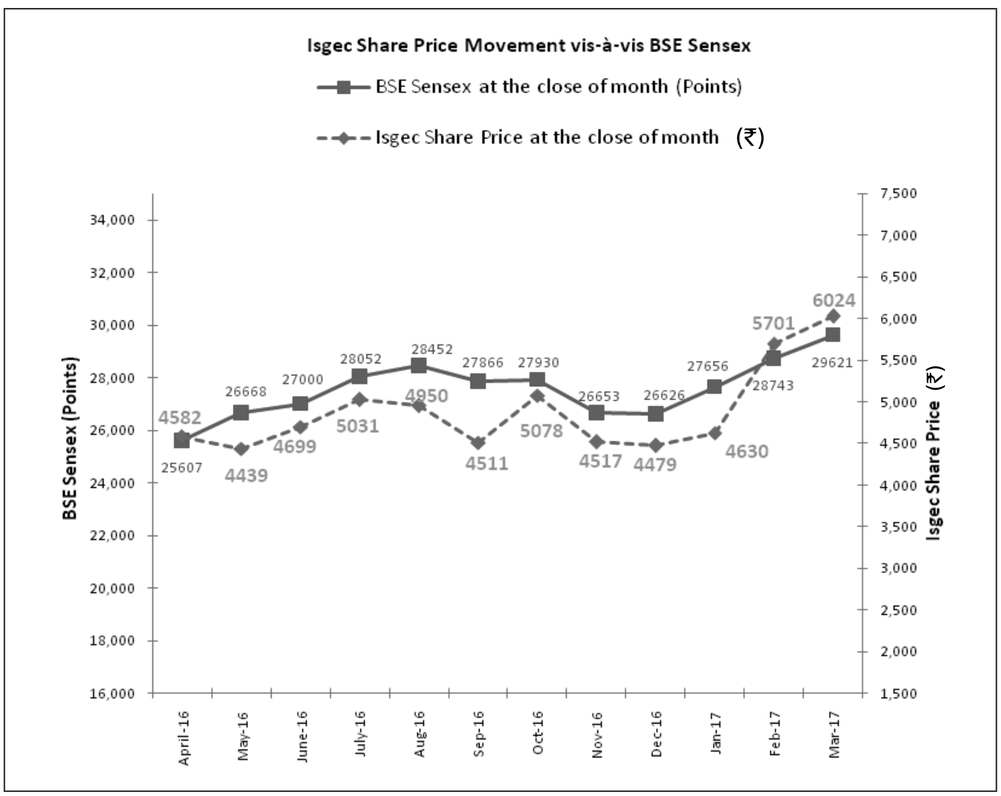
The Stock Code Number is ISIN – INE858B01011.

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

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

Month	Bombay Stock Exchange	
	Highest (₹)	Lowest (₹)
April, 2016	4,848.00	4,000.00
May, 2016	5,035.00	4,388.00
June, 2016	4,886.00	4,426.00
July, 2016	5,499.00	4,580.00
August, 2016	5,200.90	4,650.00
September, 2016	4,984.00	4,351.00
October, 2016	5,340.00	4,504.35
November, 2016	5,450.00	4,300.00
December, 2016	4,722.00	4,388.00
January, 2017	5,000.00	4,465.00
February, 2017	5,872.00	4,550.00
March, 2017	6,140.00	5,481.60

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



(h) Securities suspended from trading:

Not Applicable.

(i) Registrar and Transfer Agents:

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

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

Email: alankit@alankit.com

(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, 2017:

Shareholding of Nominal Value	Shareholders		Share Amount	
₹	Number	% of Total	(in ₹)	% of Total
Up-to 5,000	**9,349**	99.267	96,06,480	13.065
5,001 - 10,000	**22**	0.234	16,73,820	2.276
10,001 - 20,000	**19**	0.202	28,74,280	3.909
20,001 - 30,000	**6**	0.064	13,61,590	1.852
30,001 - 40,000	**3**	0.032	10,10,400	1.374
40,001 - 50,000	**5**	0.053	22,19,900	3.019
50,001 - 1,00,000	**4**	0.042	27,48,340	3.738
1,00,001 and above	**10**	0.107	5,20,34,700	70.767
TOTAL	**9,418**	**100.00**	**7,35,29,510**	**100.00**

Shareholding pattern as on March 31, 2017:

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	5	45,78,535	62.27
FIs, Banks & Mutual Funds	43	3,92,521	5.34
Others (Public)	9370	2,381,895	32.39

(l) Dematerialization of shares and liquidity:

95.84% of share capital has been dematerialized as on March 31, 2017.

(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:

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

B. Engineering, Procurement and Construction offices:

	Name	Item	Address for correspondence
(i)	Isgec	Boilers	A-5, A-7 and A-8, Sector – 63 Noida – 201301, U.P.
(ii)	Isgec	Sugar Machinery	A-4, Sector – 24, Noida – 201301, U.P.
(iii)	Isgec	EPC Projects	A-4, Sector – 24, Noida – 201301, U.P.

(p) Address for correspondence:

Corporate Office:	A-4, Sector – 24, Noida – 201 301, U.P. Tel. : +91-120-408 5001/ 5002 Fax.: +91-120-241 2250 e-mail: skkhorana@isgec.com
Registered Office:	Radaur Road, Yamunanagar-135 001, Haryana. Tel: 01732-661061/ 62 email : roynr@isgec.com

10. Disclosures

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

Nil.

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

None.

(c) Vigil Mechanism/Whistle Blower Policy:

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

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

The Company has complied with all the mandatory.

(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/aboutus-policy-dms.asp?lk=ab18 .

(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/aboutus-policy-related-parted.asp?lk=ab16

(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 and using global sourcing options.

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

Nil

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

Company appointed separate person to the post of chairperson and managing director as follows:-

(a). Mr. Ranjit Puri	:	Chairman
(b). Mr. Aditya Puri	:	Managing Director

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

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

As required under para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare that all the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management during the year ended March 31, 2017.

Aditya Puri
Managing Director
(DIN: 00052534)

Dated : May 29, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Isgec Heavy Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Isgec Heavy Engineering Limited ('the Company') for the year ended 31st March, 2017 as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of 46, para C, D and E of Schedule V and any other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with the relevant records/documents maintained by the Company furnished to us for our review and report on Corporate Governance as approved by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015.

We further state that such compliance 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 S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

Neeraj Bansal
Partner
Membership No. 095960

Place: Noida
Date: May 29, 2017

ANNEXURE 7

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)**

	Description	2016-17									2015-16							
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd. *	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.
2	The date since when the subsidiary was acquired	24.05.1988	20.02.1996	20.07.2000	22.03.2007	21.06.2014	21.03.2012	17.02.2015	25.06.2015	01.02.2017	24.05.1988	29.02.1996	20.07.2000	22.03.2007	21.06.2014	21.03.2012	17.02.2015	25.06.2015
3	Reporting Period	Year Ended 31st March 2017	Year Ended 31st March 2017	Year Ended 31st March 2017	Year Ended 31st March 2017	Year Ended 31st March 2017	Year Ended 31st March 2017	Year Ended 31st March 2017	Year Ended 31st March 2017	Period Ended 31st March 2017	Year Ended 31st March 2016	Year Ended 31st March 2016	Year Ended 31st March 2016	Year Ended 31st March 2016	Year Ended 31st March 2016	Year Ended 31st March 2016	Period Ended 31st March 2016	Period Ended 31st March 2016
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00
6	Reserves & surplus	56.22	100.54	18,012.91	(1.21)	776.79	1,843.22	5.38	(0.24)	(0.13)	56.64	96.27	13,025.08	(3.52)	774.86	579.28	4.71	(1.80)
7	Total Assets	263.08	110.83	55,197.99	399.06	779.70	39,009.23	267.29	942.00	200.50	296.12	106.55	57,830.30	398.63	778.10	27,251.05	209.98	98.77
8	Total Liabilities	6.86	0.29	36,475.09	0.27	0.45	27,166.01	61.91	842.24	0.64	39.49	0.28	44,095.23	2.15	0.78	16,671.77	5.26	0.58
9	Investments	-	-	825.94	-	-	-	-	-	-	-	-	323.10	-	-	-		
10	Turnover * *	6.06	6.63	63,928.53	11.88	2.95	35,728.71	200.68	49.28	0.38	250.38	6.06	43,321.52	5.52	2.08	29,743.14	13.87	0.97
11	Profit/(Loss) before Taxation before OCI	(0.34)	6.09	9,080.38	4.98	2.25	1,932.82	1.38	2.24	(0.19)	(8.37)	5.62	(1,558.34)	(3.80)	1.80	1,652.17	6.82	(2.61)
12	Provision for Taxation																	
	a. Current Tax	0.18	1.82	1,312.15	2.44	0.53	317.62	0.80	0.41	-	-	1.74	-	1.07	0.56	-	3.22	-
	b. Deferred Tax	(0.10)	-	1,976.26	0.24	-	342.99	(0.08)	0.26	(0.06)	(2.59)	-	(449.71)	(0.99)	-	473.12	(1.11)	(0.81)
	c. Taxes for earlier year	-	-	-	-	(0.20)	-	-	-	-	-	-	-	-	-	15.80	-	-
13	Profit/(Loss) after Taxation	(0.42)	4.27	5,791.97	2.31	1.93	1,272.22	0.67	1.57	(0.13)	(5.78)	3.88	(1,108.63)	(3.88)	1.25	1,163.25	4.71	(1.80)
14	Other Comprehensive Income	-	-	524.64	-	-	(8.28)	-	-	-	-	-	140.38	-		(32.50)	-	-
15	Proposed Dividend	-	-	1104.03	-	-	200.00	-	-	-	-	-	-	-	-	-		
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%	100%	100%	100%	51%	51%	51%

* This is the first balance sheet of the company where figures reported are from the date of incorporation of the respective Company till period ended March 31, 2017. Hence, no comparative figures are given .

** Includes Other Income.

Notes :

1. Names of subsidiaries which are yet to commence operations : ISGEC Redecam Enviro Solutions Private Ltd.
2. 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 8

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)	238
		2)	Mrs. Nina Puri (Whole Time Director)	238
(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)	-4%
		2)	Mrs. Nina Puri (Whole Time Director)	-4%
		3)	Mr. S K Khorana (Company Secretary)	34%
		4)	Mr. Kishore Chatnani (Chief Financial Officer)	-1%

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;	6.51%
(iv)	the number of permanent employees on the rolls of company;	3011 as on March 31, 2017 (3061 as on March 31, 2016)
(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 2016-17 was 6.51%. Percentage decrease in Managerial Remuneration for the year is 4%.
(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 9

Particulars of Employees under Section 197(12) of the Companies Act, 2013 and rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 as on March 31, 2017

(A) Top Ten Employees in terms of Remuneration drawn and employed throughout the year who were in receipt of Remuneration aggregating not less than ₹ 102,00,000/- per year

Sl. No.	Name of Employee	Age	Qualification	Experience in years	Date of Commencement of Employment	Designation	Remuneration (₹ in lakhs)	Last Employment		Nos. of Shares held in the Co.*	% of Share held to total Share Capital of Co.
								Name of Employer	Post Held		
1	Gupta, Mahesh	54	BE (Mech.), M. Tech.	30	27.07.1991	Chief Operating Officer-Steel Casting Division	77.71	M/s. Bhartiya Caccia Lanza Fire System Ltd.	Works Manager	200	0.0027%
2	Jaidka, Ravi	70	B.E. (Mech.) Hons.	48	04.07.1968	Executive Director	93.71	-	-	200	0.0027%
3	Jain, Suman Kumar	51	B.E. (Mech.)	30	29.02.1988	Group Head - Utility Boilers, Product Packages & New Technology Development	74.11	SIMCO, Bharatpur	Engineer	533	0.0072%
4	Khorana, S.K.	70	B.Com. (Hons.), M.Com., F.C.A., F.C.S.	46	01.02.1975	Executive Director & Company Secretary	135.62	Jay Engineering Works Ltd.	Officer on Special duty	1920	0.0261%
5	Luthra, V.K.	56	Post Diploma in Mechanical Engineering	35	16.01.1985	Business Head-Industrial & Green Energy Boiler Division	79.51	Bandekar Engineers	Sales Engineer	-	-
6	Marwaha, Yogesh	52	BE, PEDIM	29	23.10.2000	Head- Export Marketing	71.95	Cimmco, Delhi	Sr. Manager	-	-
7	Puri, Aditya	49	B.A. (Hons.), M.A. (CANTAB) ECON from Cambridge University (U.K.)	25	01.10.1991	Managing Director	1427.28	-	-	456808	6.2126%
8	Puri, Nina	73	B.A. (Hons.), M.A., Ph. D.	47	16.02.2007	Whole-time Director	1427.28	-	-	675154	9.1821%
9	Sanjay, P.V. Narasimha	51	BE (Mech.)	31	28.01.2010	Business Head - EPC Power Plant Division	85.65	NELCO	Business Head	-	-
10	Vishwanathan, K.	59	M.E. (Mech.), PGDM	37	01.12.2010	Head - Engineering, Utility Boilers	80.90	Alstom India	Head of Engineering	-	-

(B) Employed for part of the year and were in receipt of Remuneration aggregating not less than ₹ 8,50,000 per month

Sl. No.	Name of Employee	Age	Qualification	Experience in years	Date of Commencement of Employment	Designation	Remuneration (₹ in Lakhs)	Last Employment		Nos. of Shares held in the Co.*	% of Share held to total Share Capital of Co.
								Name of Employer	Post Held		
NIL											

NOTES :

1. **Nature of Employment :** All appointments are/were contractual and terminatable by notice on either side.
2. **Other Terms and conditions :** As per Company rules.
3. All the employees have adequate experience to discharge the responsibilities assigned to them.
4. None of the employees mentioned above is the relative of any director of the company, except Shri Aditya Puri, Managing director and Smt. Nina Puri, Whole-time Director who are related to each other and to Shri Ranjit Puri, Chairman.
5. Remuneration includes, salary, company's contribution to provident fund, leave travel concession/allowance, leave encashment, house rent allowance/assistance, medical expense reimbursement/allowance but excluding gratuity paid or provided and provision for pension. Where it is not possible to ascertain the actual expenditure incurred by the company in providing perquisites the monetary value of such perquisites has been calculated in accordance with the Income Tax Act,1961 and the Rules made thereunder.

* Numbers and percentage of the shares held in the Company by the employee along with his spouse and children as per Rule 5(3)(viii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE-10

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017)

[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

I have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by **Isgec Heavy Engineering Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company's officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2017,** 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:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by Isgec Heavy Engineering Limited ("the Company") for the financial year ended on **March 31, 2017** according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;

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

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998;

(vi) Following are some other laws 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.

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with BSE Ltd.;

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

I further report that

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

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I, 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.

Further, I report that there were no instances of:

I. Public/Right/Preferential issue of shares / debentures/ sweat equity etc.

II. Redemption / buy back of securities.

III. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

For Ranjeet Verma & Associates
Company Secretaries
Sd/-
(CS Ranjeet Kumar Verma)
Proprietor, C.P. No. 7463

Place: Ghaziabad
Dated: May 29, 2017

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L23423HR1933PLC000097.
2. **Name of the Company :** ISGEC HEAVY ENGINEERING LIMITED.
3. **Registered address :** RADAUR ROAD, YAMUNANAGAR – 135001, HARYANA (INDIA).
4. **Website :** www.isgec.com
5. **E-mail id :** roynr@isgec.com
6. **Financial Year reported :** Year ended March 31, 2017
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.
400	Generation and transmission of electric energy.

*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.

(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 Marketing Offices in Germany, Honduras and Philippines. The Company also has Branch locations for local erection and commissioning work in Jordan. The Company has a network of marketing agents spread across 72 International locations. The Company also undertakes projects for customers at their locations in various countries.

(b) Number of National Locations :

Isgec Heavy Engineering Limited has its Registered Office in Yamunanagar, Haryana. The Company has manufacturing locations 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.

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : 735.29 lakhs
2. **Total Turnover (INR)** : 320,422.41 lakhs
3. **Total profit after taxes (INR)** : 18,863.39 lakhs

   Total Comprehensive income : 18,827.49 lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : 2%
5. **List of activities in which expenditure in 4 above has been incurred:-**

   (a) Contribution to Prime Minister's Relief Fund.

   (b) Promoting education by construction, renovation and development of buildings in schools.

   (c) Rural Development – laying water pipelines.

   (d) Promoting employment by enhancing vocational skills.

   (e) Promoting preventive health care.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies? :** Yes, the Company has 9 Subsidiary Companies.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :** Company encourages its subsidiaries to participate in its group-wide BR initiatives.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%] :** No

SECTION D: BR INFORMATION

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

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

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

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

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

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

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

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

7	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Yes.
8	**Does the company have in-house structure to implement the policy/ policies.**	Yes
9	**Does the Company have a grievance redressal mechanism related to the policy/ policies to address 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 and necessary advisory are issued for implementation of various policies.

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

As required, it will be published from this year onwards.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

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

   This covers all Subsidiaries and Joint Venture Companies.

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

   During the year under review the company has not received any complaint.

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

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

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

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company strives to procure increased quantum of goods and services from venders 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 such as fabrication vendors, sub-contractors etc.

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 and sale of 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 Alloy Steel Casting Unit.

Principle 3

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

   Total number of employees as on March 31, 2017 were 3286.

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

   Out of the total Employees 275 were on contractual basis.

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

   The number of women employees as on March 31, 2017 was 42.

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

   Number of permanent employees with disabilities as on March 31, 2017 were NIL. #

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

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

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

   26%.

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 up-gradation training in the last year?**

   (a) Permanent Employees : 27.36%

   (b) Permanent Women Employees : 47%

   (c) Casual/Temporary/Contractual Employees : -

   (d) Employees with Disabilities : -

   # 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, Supplier of Goods and services.- Physically Challenged employees and small venders 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.**

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

Principle 5

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

   The policy covers the Company and Subsidiary Companies.

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

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

Principle 6

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

   It extends to the Subsidiary Companies also.

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

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

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

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

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

   No please.

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

   Yes – Company gets periodic energy audits done. Company's Green Energy Boiler division manufactures and supplies equipment for generation of energy using biomass and green waste. Company has also installed 250 KW roof top solar power plant at its Yamunanagar factory.

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

   Yes.

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

   NIL.

Principle 7

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

   a. Confederation of Indian Industry.

   b. PHD Chamber of commerce and Industry.

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

   No.

Principle 8

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

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

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

   In-house team as well external organizations.

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

   Company has been advised 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 ₹ 479.25 lakh on Corporate Social Responsibility. Details are given in the CSR Report given in Board's Report.

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

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

Principle 9

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

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

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

   Not Applicable.

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

   There was no case filed for unfair trade practice, irresponsible advertising or anti competitive 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 March 30, 2017 has adopted this Dividend Distribution Policy containing following parameters, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016.

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

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

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

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

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

The financial parameters for consideration of dividend are:-

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

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

As explained in paragraph (a).

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Financial Statements of **Isgec Heavy Engineering Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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 relevant rules issued thereunder.

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 judgement 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 Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Ind AS financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss, 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 Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   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:

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

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

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

iv. The company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and on the basis of information & explanation provided these are in accordance with the books of accounts maintained by the company. Refer Note 55 to the Ind AS financial statements.

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

(Neeraj Bansal)
Partner
Membership No. 95960

Place: Noida
Date: May 29, 2017

Annexure A to the Independent Auditor's Report to the members of Isgec Heavy Engineering Limited dated May 29, 2017

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has physically verified these fixed assets as per its program of physical verification that covers every item of fixed assets over a period of three years except for certain building and vehicles situated in Pakistan (carrying value of Rs 1). No material discrepancies were noticed on such verification;

(c) The title deeds of immovable properties are held in the name of the Company,as verified from the photocopies of original title deeds. The original title deeds are pledged with banks as security against term loans.

(ii) The physical verification of inventory has been conducted at reasonable intervals by the management.No material discrepancies were noticed on such physical verification;

(iii) (a) As informed to us, the Company has granted unsecured loans to its one of the subsidiary covered in the register maintained under section 189 of the Companies Act, 2013, the balance outstanding is ₹ 7270.00 Lakhs.

(b) As explained to us and as per records the principle and interest is repayable on demand.

(c) As per information & explanation and as per records there is no overdue interest outstanding as on the date of Balance Sheet.

(iv) The Company has not granted any loan to Directors in terms of Section 185 of the Companies Act, 2013 (Act). Further, the Company has complied with the provisions of Section 186 of the Act in respect of loans, investments, guarantees, and security made;

(v) As per information and explanation provided to us, the Company has not accepted any public deposits during the year. Further, we have not come across any such deposit(s) nor the management has reported any such deposit(s), therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable;

(vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained;

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) The particulars of dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute are as under:

Name of Statute	Duty/Tax	Year	Forum where dispute is pending	Amount (₹ in lakhs) As at March 31, 2017	Amount (₹ in lakhs) As at March 31, 2016
Central Excise Act	Excise Duty	1994-95	Hon'ble High Court, Allahabad	5.00	5.00
		1994-96	Tribunal New Delhi	8.00	8.00
		2002-10	CESTAT, New Delhi	8.58	8.58
		2009-13	Commissioner Appeal, Meerut	14.92	14.92
		2013-16	Commissioner Appeal, Meerut	6.53	2.90
		2015-16	Commissioner Central Excise (Panchkula)	37.48	-
		2011-12	Assistant commissioner, Panchkula	3.57	-
Service Tax	Service Tax	2004-06	CESTAT, New Delhi	-	6.00
		2005-07	CESTAT, New Delhi	-	22.31
		2008-09	CESTAT, New Delhi	-	8.36
		2009-12	Commissioner Central Excise (Panchkula)	-	63.56
		2011-12	Commissioner Central Excise (Panchkula)	61.28	61.28
		2008-09	Commissioner, Central Excise (Vadodara)	60.31	60.31
		2008-13	Commissioner Central Excise (Panchkula)	-	36.97
		2011-12	Commissioner Central Excise (Panchkula)	11.92	25.56
		2007-10	Commissioner Central Excise (Panchkula)	0.34	9.22
		2008-09	Commissioner Central Excise (Panchkula)	-	9.69
		2014-15	Commissioner Central Excise (Panchkula)	-	45.14
		2011-12	Commissioner (Appeals) Delhi	-	0.17
		2015-16	Assistant commissioner of Central Excise, U.P.	0.77	-
		2015-16	Commissioner, Panchkula	0.39	-
		2010-14	Additional commissioner of Central Excise, U.P.	14.40	-

Name of Statute	Duty/Tax	Year	Forum where dispute is pending	Amount (₹ in lakhs) As at March 31, 2017	Amount (₹ in lakhs) As at March 31, 2016
Sales Tax Act	Sales Tax	1993-94	Sales Tax Tribunal, Orissa	9.02	9.02
		1995-96	Sales Tax Tribunal, Orissa	17.00	17.00
		1996-97	Sales Tax Tribunal, Orissa	5.00	5.00
		1992-93	Sr. Joint Commissioner of Commercial Taxes, Kolkata	90.00	90.00
		1993-94	Sr. Joint Commissioner of Commercial Taxes, Kolkata	120.59	155.00
		1971-73	Commissioner Sales Tax, Lucknow	6.00	6.00
		1987-88	Dy Comm. of Commercial Taxes(appeals), Kolkata	4.00	4.00
		1995-96	Dy Comm. of Commercial Taxes, Kolkata	34.00	34.00
		1994-95	Dy Comm. of Commercial Taxes(appeals), Kolkata	61.00	61.00
		2006-07	Dy Comm. Of Commercial Tax, Tamilnadu	0.82	0.82
		2009-10	Sr. Joint Commissioner of Commercial Taxes, Kolkata	4.66	4.72
		2009-10	Sr. Joint Commissioner of Commercial Taxes, Kolkata	8.05	9.51
		2009-12	Additional commissioner Appeals	203.63	76.05
		2008-09	Dy. Commissioner, Commercial Tax, Kerala	7.20	6.62
		2015-16	Excise & Tax Officer, Punjab	5.55	7.44
Local Area development Tax Act ,2002	Local area tax	2006-07	Hon'ble High Court of Punjab & Haryana	20.00	14.00
Haryana State Pollution Control Law	Water Cess	1992-93	Hon'ble Supreme Court of India	15.82	15.28
Total				**834.36**	**903.43**

(viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company has not issued any debentures;

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans were applied for the purposes for which those are raised;

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

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;

(xii) The Company is not a Nidhi Company, hence clause (xii) of the Order is 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 sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

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

(Neeraj Bansal)
Partner
Membership No. 95960

Place: Noida
Date: May 29, 2017

Annexure B to the Independent Auditor's Report to the members of Isgec Heavy Engineering Limited dated May 29, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Isgec Heavy Engineering Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2017, 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 S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

(Neeraj Bansal)
Partner
Membership No. 95960

Place: Noida
Date: May 29, 2017

STANDALONE BALANCE SHEET as at March 31, 2017

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	4	**42,645.44**	41,326.53	35,012.93
(b) Capital work - in - progress		**1,535.60**	1,034.76	1,034.83
(c) Other intangible assets	5	**3,791.80**	4,686.17	4,931.04
(d) Financial assets				
(i) Investments	6	**14,281.47**	14,179.44	13,832.74
(ii) Loans	7	**415.13**	402.55	329.36
(iii) Others	8	**711.63**	734.87	599.79
(e) Other non - current assets	9	**29.32**	572.72	84.19
Sub total (Non-current assets)		**63,410.39**	62,937.04	55,824.88
(2) Current assets				
(a) Inventories	10	**40,447.82**	30,319.06	40,427.04
(b) Financial assets				
(i) Investments	11	**68,845.66**	55,126.76	34,838.95
(ii) Trade receivables	12	**111,579.71**	138,806.26	91,348.95
(iii) Cash and cash equivalents	13	**2,611.25**	1,323.51	3,066.70
(iv) Bank Balances other than (iii) above	14	**9,568.49**	27,640.50	34,068.12
(v) Loans	15	**8,329.80**	817.58	533.55
(vi) Others	16	**3,372.27**	2,774.90	2,725.40
(c) Other current assets	17	**28,269.53**	20,903.31	22,466.27
Sub total (Current assets)		**273,024.53**	277,711.88	229,474.98
Total Assets		**336,434.92**	340,648.92	285,299.86
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	18	**735.29**	735.29	735.29
(b) Other equity	19	**111,814.95**	94,975.35	78,092.23
Sub total (Equity)		**112,550.24**	95,710.64	78,827.52
LIABILITIES				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	**-**	-	1,648.33
(ii) Trade payables	21	**-**	6.25	6.25
(iii) Other financial liabilities	22	**182.91**	214.14	208.49
(b) Provisions	23	**6,741.46**	11,040.41	12,606.37
(c) Deferred tax liabilities (net)	24	**427.39**	681.81	1,213.14
(d) Other non - current liabilities	25	**14,869.29**	15,342.22	13,810.95
Sub total (Non-current liabilities)		**22,221.05**	27,284.83	29,493.53
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	26	**10,956.23**	29,651.00	22,192.96
(ii) Trade payables	27	**131,196.85**	134,647.58	104,180.81
(iii) Other financial liabilities	28	**4,577.07**	6,040.17	8,162.25
(b) Other current liabilities	29	**40,662.32**	36,325.49	35,492.60
(c) Provisions	30	**14,041.13**	10,023.84	5,881.80
(d) Current tax liabilities (net)	31	**230.03**	965.37	1,068.39
Sub total (Current liabilities)		**201,663.63**	217,653.45	176,978.81
Total Equity & Liabilities		**336,434.92**	340,648.92	285,299.86

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

As per our report of even date.

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

Sanjay Kumar
Deputy General
Manager(Accounts)

J.K. Chowdhery
Senior Vice President
Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal
Partner
M.No.095960

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

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2017

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

(₹ in lakhs)

Particulars		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from Operations	32	**311,098.70**	395,498.62
II.	Other Income	33	**9,323.71**	6,098.92
III.	**Total income (I + II)**		**320,422.41**	401,597.54
IV.	**Expenses**			
	Cost of materials consumed	34	**42,720.53**	43,868.16
	Purchase of goods for resale	35	**117,874.54**	192,647.80
	Erection & civil cost		**37,805.86**	28,950.94
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	36	**(4,863.73)**	7,556.93
	Employee benefits expenses	37	**26,784.46**	24,796.75
	Finance costs	38	**2,079.78**	1,982.28
	Depreciation and amortization expenses	39	**6,382.30**	6,430.08
	Other expenses	40	**64,872.45**	67,080.74
	Total expenses (IV)		**293,656.19**	373,313.68
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**26,766.22**	28,283.86
VI	Exceptional items		**-**	-
VII	Profit / (loss) before tax (V - VI)		**26,766.22**	28,283.86
VIII	**Tax expense**	41		
	(1) Current tax		**8,138.25**	9,643.31
	(2) Deferred tax		**(235.42)**	(351.78)
			7,902.83	9,291.53
IX	**Profit / (loss) for the period (VII - VIII)**		**18,863.39**	18,992.33
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of post employment benefit obligations		**(54.90)**	(518.78)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**19.00**	179.55
X1	**Total comprehensive income for the period (IX + X)**		**18,827.49**	18,653.10
XII	**Earnings per equity share**	42		
	Basic & Diluted		**256.54**	258.30

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

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal
Partner
M.No.095960

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

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2017

STANDALONE CASH FLOW STATEMENT for the year ended March 31, 2017

(₹ in lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A	**Cash flow from operating activities**		
	Profit before income tax	26,766.22	28,283.86
	Profit before tax	**26,766.22**	**28,283.86**
	Adjustments for :		
	Depreciation and impairment of property, plant and equipment	6,382.30	6,430.13
	(Gain) / Loss on disposal of property, plant and equipment	(35.39)	13.18
	Debts/Advances write off	1.20	340.83
	Liability no longer required to written back	(836.41)	(412.58)
	Finance Income	(2,715.74)	(3,112.72)
	Finance costs	2,079.78	1,982.28
	Income from investment-Dividends	(1,106.12)	(0.15)
	Fair value of financial instrument (investment)	(1,349.26)	(1,218.89)
	Provision for warranty	540.52	295.98
	Operating profit before working capital adjustments	**29,727.10**	**32,601.92**
	Working capital adjustments		
	(Increase) /Decrease in trade receivables	27,443.07	(47,798.15)
	(Increase) /Decrease in other receivables	(15,258.70)	653.93
	(Increase) /Decrease in inventories	(10,128.74)	10,085.22
	Increase /(Decrease) in trade and other payables	156.66	34,829.36
	Increase /(Decrease) payables and provisions	79.87	(487.49)
	Cash generated from operations	**32,019.26**	**29,884.79**
	Taxes (Paid) / Received (Net of TDS)	(6,942.86)	(9,746.33)
	Net cash from operating activities	**25,076.40**	**20,138.46**
B	**Investing activities**		
	Proceeds from sale of property, plant and equipment	92.76	61.55
	Purchase of property, plant and equipment	(7,219.48)	(12,573.52)
	Sale /(Purchase) of financial instruments	(13,845.92)	(19,392.85)
	Interest received	1,599.01	3,449.62
	Dividend received	1,106.11	0.15
	Net cash flow from / (used in) investing activities	**(18,267.52)**	**(28,455.05)**

(₹ in lakhs)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
C	**Financing activities**		
	Dividend paid	(948.26)	(1,464.24)
	Dividend Tax paid	(149.69)	(299.37)
	Interest paid	(2,152.10)	(2,176.01)
	Proceeds from Borrowings	-	8,243.70
	Repayment of Borrowings	(20,343.10)	(4,158.30)
	Net cash flow from / (used in) financing activities	**(23,593.15)**	**145.78**
	Net increase in cash and cash equivalents (A+B+C)	**(16,784.27)**	**(8,170.81)**
	Cash and cash equivalents as at April 1	**28,964.01**	**37,134.82**
	Cash and cash equivalents as at March 31	12,179.74	28,964.01
	Components of cash and cash equivalents		
	Cash, Cheques & Drafts (in hand) and Remittances in transit	31.78	31.41
	Current Account (Dividend Account)	134.94	114.45
	Balance with Scheduled Banks	2,579.47	1,292.10
	Term Deposit with Banks	9,433.55	27,526.05
	Cash and cash equivalents	12,179.74	28,964.01

Notes:

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

2 Figures in brackets indicate cash outgo.

3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal
Partner
M.No.095960

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 29, 2017

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2017

A. Equity Share Capital

(₹ in lakhs)

As at April 1, 2015	Changes during the year	As at March 31, 2016	Changes during the year	As at March 31, 2017
735.29	-	735.29	-	735.29

B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium account	Capital redemption reserve	General reserve	Retained earnings	
Restated Balance as at April 1, 2015	0.01	450.22	3.24	17,439.54	60,199.22	78,092.23
Profit for the period	-	-	-	-	18,992.33	18,992.33
Other comprehensive income	-	-	-	-	(339.23)	(339.23)
Total comprehensive income for the year	-	-	-	-	18,653.10	18,653.10
Dividend paid for the year ended march, 2015 (including dividend distribution tax)	-	-	-	-	(884.99)	(884.99)
Interim dividend paid	-	-	-	-	(884.99)	(884.99)
As at March 31, 2016	0.01	450.22	3.24	17,439.54	77,082.34	94,975.35
Profit for the period	-	-	-	-	18,863.39	18,863.39
Other comprehensive income	-	-	-	-	(35.90)	(35.90)
Total comprehensive income for the year	-	-	-	-	18,827.49	18,827.49
Dividend paid for the year ended march, 2016 (including dividend distribution tax)	-	-	-	-	(884.98)	(884.98)
Interim dividend paid	-	-	-	-	(1,102.91)	(1,102.91)
As at March 31, 2017	**0.01**	**450.22**	**3.24**	**17,439.54**	**93,921.94**	**111,814.95**

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

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1. Corporate Information

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

The Company is a Heavy Engineering Company engaged in the manufacture of process plant equipment, mechanical and hydraulic presses, alloy steel and ferrous castings, containers, contract manufacturing and execution of projects for setting up boilers, sugar plants, power plants and air pollution control equipment for customers in India and abroad.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016. For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules,2014(referred to as 'Indian GAAP'). These financial statements are the Company's first Ind AS financial statements. The Company has adopted all the Ind AS standards and the adoptions were carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Previous period numbers in the financial statements have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in Note 52B. The details of the first time adoption exemptions availed by the Company is given in Note 52 & 52A.

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 if otherwise stated.

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments & Provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

2.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.3 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of products

Revenue from the sale of products is recognized on dispatch of goods from the factory/ other locations, when all the significant risk and rewards of ownership of the goods have passed to the buyer, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of goods.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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

Rendering of Services

Revenue in case of erection and commissioning jobs carried out is recognized by reference to the stage of completion as per the terms of related agreement/job orders. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed for each contract.

Other Income

(i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

(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.

Dividend

Dividends are recognised in profit or loss only when:

(i) the company's right to receive payment of the dividend is established;

(ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and

(iii) The amount of dividend can be measured reliably.

2.4 Inventories

Raw materials, Stores & Spares: are valued at lower of weighted average cost or net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost. 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 or net realizable value. Cost includes cost of direct materials and applicable direct manufacturing and administrative overheads. Value of finished stock is inclusive of excise duty.

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

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.

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

2.5 Property, Plant & Equipment

Transition to Ind AS

The Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2015, measured as per the previous GAAP and used that as its deemed cost as at the transition date, refer note no.52A.

Recognition

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

Cost includes its purchase price (net of CENVAT / duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

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

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

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

De-recognition

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

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

2.6 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 entity; 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 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.

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

On the date of transition to Ind AS, existing carrying value as per previous GAAP has been adopted as deemed cost.

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.

2.7 Depreciation and Amortization

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

Assets costing not more than Rs.5000 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.

2.8 Impairment of Non-Financial Assets

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

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

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

2.9 Employee Benefits

(i) Provident Fund

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

(ii) Gratuity

The Company operates a Gratuity fund Trust which in turn has taken Group Gratuity cum Life Assurance policies with the Life Insurance Corporation of India for all the employees.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan.

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

(iii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an Independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

(iv) 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.

(v) Superannuation Benefit

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

(vi) Other Short Term Benefits

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

2.10 Leases

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

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under Leases, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease.

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

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

Where the Company is the lessor

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

2.11 Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.12 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

2.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

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

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

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities and assets are not recognized but are disclosed in notes.

2.14 Earning 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).

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

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

Subsequent measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B. Derivative financial instruments

(i) Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

2.16 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.

2.17 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. All investments are carried at fair value except Investment in subsidiaries, associates and joint ventures which are carried at cost in the financial statements.

2.18 Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

2.19 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.

2.20 Foreign currencies

i. Initial recognition

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

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

iii. Exchange differences:

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions

2.21 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 Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Critical accounting estimates and Judgements

i. Estimation of provision for warranty claims

The Company enters into contract for sale of products and/ or erection and commission involving a defect liability. The Company estimates warranty related costs to be incurred during the defect liability period based on technical estimation by the operation team considering the type of work involved, historical experience etc. Current and non-current classification of the warranty provision is done on the basis of remaining defect liability period.

ii. Estimated useful life of intangible asset

The Company assess the remaining useful lives of Intangible assets on the basis of internal technical estimates. Management believes that assigned useful lives are reasonable.

Before transition to IND AS, the company has revisited the useful life of the assets during financial year 2013-14 in accordance with Schedule II of Companies Act, 2013 and the impact of change in life is considered in opening carrying values of that year.

iii. Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made based on the assumptions about the risk of defaults and expected loss rates, while making these assumptions the company considers past history , existing market conditions and as well as forward looking estimates at the end of each reporting period.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 4: Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Free Hold)	Land (Lease-Hold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value								
As at April 1, 2015	2,982.09	2,785.85	19,281.97	38,925.59	1,053.58	1,424.40	3,620.88	70,074.36
Additions	6,633.78	-	1,776.12	2,555.51	197.82	179.17	521.68	11,864.08
Disposals	-	-	15.32	227.68	14.76	176.75	150.71	585.22
As at March 31, 2016	9,615.87	2,785.85	21,042.77	41,253.42	1,236.64	1,426.82	3,991.85	81,353.22
Additions	-	-	905.82	5,029.89	28.60	304.75	449.64	6,718.70
Disposals	-	-	0.29	179.51	5.40	220.06	91.71	496.97
As at March 31, 2017	**9,615.87**	**2,785.85**	**21,948.30**	**46,103.80**	**1,259.84**	**1,511.51**	**4,349.78**	**87,574.95**
Accumulated depreciation								
As at April 1, 2015	-	569.68	7,497.61	22,416.39	777.39	896.76	2,903.60	35,061.43
Charge for the year	-	72.97	1,069.59	3,610.49	119.50	200.58	402.62	5,475.75
Disposals	-	-	3.81	208.00	13.92	139.36	145.40	510.49
As at March 31, 2016	-	642.65	8,563.39	25,818.88	882.97	957.98	3,160.82	40,026.69
Charge for the year	-	72.94	1,139.70	3,362.41	90.47	197.27	479.75	5,342.54
Disposals	-	-	0.20	160.69	5.18	187.42	86.23	439.72
As at March 31, 2017	**-**	**715.59**	**9,702.89**	**29,020.60**	**968.26**	**967.83**	**3,554.34**	**44,929.51**
Net carrying value								
As at April 1, 2015	2,982.09	2,216.17	11,784.36	16,509.20	276.19	527.64	717.28	35,012.93
As at March 31, 2016	9,615.87	2,143.20	12,479.38	15,434.54	353.67	468.84	831.03	41,326.53
As at March 31, 2017	**9,615.87**	**2,070.26**	**12,245.41**	**17,083.20**	**291.58**	**543.68**	**795.44**	**42,645.44**

Notes:

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

(ii) Opening balances of gross block and accumulated depreciation have been regrouped / reclassified / rearranged wherever considered necessary.

(iii) For assets charged as security, please refer note - 20.

(iv) Borrowing cost capitalized during the period is nil.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 5 : Other intangible assets

(₹ in lakhs)

Particulars	Software	Tech. know how	Total
Gross carrying value			
As at April 1, 2015	1,987.15	6,582.77	8,569.92
Additions	709.51	-	709.51
Disposals	-	-	-
As at March 31, 2016	2,696.66	6,582.77	9,279.43
Additions	145.43	-	145.43
Disposals	-	-	-
As at March 31, 2017	**2,842.09**	**6,582.77**	**9,424.86**
Accumulated depreciation			
As at April 1, 2015	1,086.10	2,552.78	3,638.88
Charge for the year	307.85	646.53	954.38
Disposals	-	-	-
As at March 31, 2016	1,393.95	3,199.31	4,593.26
Charge for the year	393.27	646.53	1,039.80
Disposals	-	-	-
As at March 31, 2017	**1,787.22**	**3,845.84**	**5,633.06**
Net carrying value			
As at April 1, 2015	901.05	4,029.99	4,931.04
As at March 31, 2016	1,302.71	3,383.46	4,686.17
As at March 31, 2017	**1,054.87**	**2,736.93**	**3,791.80**

Notes:

1. Cost of software includes purchase price, duties & taxes (other than refundable from tax authorities).

2. Useful life of additions under software is 5 years and for technical Know How is 10 years.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 6: Non-current financial assets - Investments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	**Value (₹ in lakhs)**	No. of Shares/ units	Value (₹ in lakhs)	No. of Shares/ units	Value (₹ in lakhs)
Investment						
Equity instruments (at cost)						
a) Subsidiary companies fully paid up (unquoted)						
Isgec Covema Limited*	**2,000,000**	**200.00**	2,000,000	200.00	2,000,000	200.00
Isgec Exports Limited*	**100,000**	**10.00**	100,000	10.00	100,000	10.00
Isgec Engineering & Projects Limited*	**4,000,000**	**400.00**	4,000,000	400.00	3,600,000	360.00
Freelook Software Private Limited*	**24,650**	**1,306.45**	24,650	1,306.45	21,750	1,152.75
Saraswati Sugar Mills Limited*	**7,099,900**	**7,009.99**	7,099,900	7,009.99	7,099,900	7,009.99
		8,926.44		8,926.44		8,732.74
b) Joint ventures fully paid up (unquoted)						
Isgec Hitachi Zosen Limited*	**5,100,000**	**5,100.00**	5,100,000	5,100.00	5,100,000	5,100.00
Isgec Foster Wheeler Boilers Private Limited	**1,020,000**	**102.00**	1,020,000	102.00	-	-
Isgec Titan Metal Fabricators Private Limited	**510,000**	**51.00**	510,000	51.00	-	-
Isgec Redecam Enviro Solutions Private Limited	**1,020,000**	**102.00**	-	-	-	-
		5,355.00		5,253.00		5,100.00
c) Others						
SVC Co-operative Bank	**25**	**0.03**	-	-	-	-
Total (a+b+c)		**14,281.47**		14,179.44		13,832.74
Aggregate acquisition cost of quoted investments:		**-**		-		-
Aggregate market value of quoted investments:		**-**		-		-
Aggregate book value of unquoted investments:		**14,281.47**		14,179.44		13,832.74
***Includes equity shares held by nominees**		**No. of Shares**		No. of Shares		No. of Shares
Saraswati Sugar Mills Limited		**600**		600		600
Isgec Exports Limited		**9**		9		9
Isgec Engineering & Projects Limited		**6**		6		6
Isgec Hitachi Zosen Limited		**3**		3		3
Isgec Covema Limited		**100**		100		100
Freelook Software Private Limited		**400**		400		400

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 7: Non current financial assets -Loans

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans to employees			
Secured, considered good (refer note 7.1)	**318.47**	242.26	227.44
Unsecured, considered good	**96.66**	160.29	101.92
Total	**415.13**	402.55	329.36

Note 7.1 : Loans to employees are secured by way of hypothecation of vehicles.

Note 8 : Non-Current Financial Assets -Others

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good			
-Security Deposit			
- Related parties	**9.34**	8.62	7.96
- Others	**702.29**	627.25	591.83
-Bank fixed deposits having maturity of more than twelve months	**-**	99.00	-
Total	**711.63**	734.87	599.79

Note 9 : Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital advances	**29.32**	572.72	83.72
Advances other than capital advance			
-Advance to supplier	**-**	-	0.47
Total	**29.32**	572.72	84.19

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 10 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw Material			
Raw materials (at lower of cost or net realisable value)	**13,068.27**	8,231.73	11,307.51
Raw materials in transit (at lower of cost or net realisable value)	**731.86**	457.39	139.32
Work - in - progress			
-Engineering goods (at lower of cost or net realisable value)	**20,460.37**	15,223.11	23,775.89
-Ingots and steel castings (at lower of cost or net realisable value)	**1,697.66**	2,052.61	1,670.44
- Erection (at lower of cost or net realisable value)	**762.95**	781.53	167.85
Finished goods			
-Ingots and steel castings (at lower of cost or net realisable value)	**-**	-	-
-Trading goods (at lower of cost or net realisable value)	**-**	-	-
Traded goods			
Goods for resale in transit (at lower of cost or net realisable value)	**1,645.44**	1,593.36	1,326.85
Stores and spares			
Stores & spares (at lower of cost or net realisable value)	**2,038.56**	1,951.68	2,009.41
Stores & spares in transit (at lower of cost or net realisable value)	**3.51**	3.23	7.78
Others			
Loose tools and others (at lower of cost or net realisable value)	**33.59**	20.70	18.41
Farm stock (at cost of materials and labour)	**5.61**	3.72	3.58
Total	**40,447.82**	30,319.06	40,427.04

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 11 : Current Financial Assets - Investments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
a) Investments in equity instruments						
-Quoted						
Reliance Industries Limited	**704**	**9.29**	704	7.36	704	5.81
Reliance Power Limited	**872**	**0.42**	872	0.43	872	0.49
Ajanta Pharma Limited	**453**	**7.97**	-	-	-	-
Amara Raja Batteries Limited	**1,295**	**11.51**	-	-	-	-
Asian Paints Limited	**971**	**10.40**	-	-	-	-
Bajaj Finance Limited	**1,400**	**16.44**	-	-	-	-
Bajaj Finserv Limited	**343**	**14.02**	-	-	-	-
Blue Dart Express Limited	**217**	**11.23**	-	-	-	-
Dalmia Bharat Limited	**348**	**6.85**	-	-	-	-
Eicher Motors Limited	**51**	**13.03**	-	-	-	-
Gruh Finance Limited	**3,497**	**13.84**	-	-	-	-
HDFC Bank Limited	**993**	**14.32**	-	-	-	-
Hindustan Petroleum Corporation Limited	**2,478**	**13.02**	-	-	-	-
Kajaria Ceramics Limited	**1,920**	**11.23**	-	-	-	-
Lupin Limited	**730**	**10.55**	-	-	-	-
Maruti Suzuki India Limited	**218**	**13.13**	-	-	-	-
MAX Financial Services Limited	**1,732**	**9.99**	-	-	-	-
Motherson Sumi Systems Limited	**3,509**	**13.08**	-	-	-	-
National Building Construction Corporation Limited	**7,213**	**12.41**	-	-	-	-
P I Industries Limited	**1,579**	**13.22**	-	-	-	-
Page Industries Limited	**83**	**12.15**	-	-	-	-
Ramco Cements Limited	**1,698**	**11.37**	-	-	-	-
		249.47		7.79		6.30
b) Investments in bonds & debentures						
-Quoted						
Canara Bank	**50**	**500.00**	50	495.60	50	500.00
ECL Finance Limited	**50,000**	**500.00**	50,000	505.05	50,000	500.00
Citicorp Finance (India) Limited NCD Series-548	**-**	**-**	500	535.65	-	-
Citicorp Finance (India) Limited NCD Series-559	**-**	**-**	1,000	1,036.30	-	-
Citicorp Finance (India) Limited NCD Series-563	**-**	**-**	2,000	2,040.40	-	-
Citicorp Finance (India) Limited NCD Series-568	**-**	**-**	800	805.20	-	-
Citicorp Finance (India) Limited NCD Series-572	**-**	**-**	600	602.16	-	-
Citicorp Finance (India) Limited NCD Series-575	**500**	**545.65**	500	500.00	-	-
Citicorp Finance (India) Limited NCD Series-604 (Tranche 7)	**500**	**515.85**	-	-	-	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
Citicorp Finance (India) Limited NCD Series-604 (Tranche 8)	500	502.65	-	-	-	-
Citicorp Finance (India) Limited NCD Series-608	1,000	1,016.60	-	-	-	-
Reliance Capital Limited NCD Series B/406	1,000	995.13	-	-	-	-
Citicorp Finance (India) Limited NCD Series-629	2,500	2,500.00	-	-	-	-
Citicorp Finance (India) Limited NCD Series-632	2,500	2,500.00	-	-	-	-
Edelweiss Finance & Investment Limited NCD Series-L7L501A	300	339.91	300	281.64	-	-
Reliance Capital Limited-Debenture Series B/257	-	-	-	-	195	206.42
Edelweiss Finance & Investment Limited-Market linked debentures	-	-	225	239.05	225	226.71
7.17% NHAI Bonds	28	283.85	-	-	-	-
7.18% NABARD Bonds	30	301.18	-	-	-	-
7.40% PCF Bonds	10	103.55	-	-	-	-
7.47% PCF Bonds	14	145.79	-	-	-	-
7.60% Axis Bank Bonds	20	204.62	-	-	-	-
7.60% ICICI Bonds	50	514.90	-	-	-	-
8.22% Daimler Financial Bonds	47	474.64	-	-	-	-
8.73% LIC HF Bonds	25	261.30	-	-	-	-
Indiabulls Housing Finance Limited Bonds	11	110.66	-	-	-	-
		12,316.28		7,041.05		1,433.13
c) Investments in mutual funds						
-Unquoted						
Axis Short Term Fund-Direct Plan-Growth	-	-	8,205,391	1,348.15	-	-
Birla Sun Life Cash Plus - Regular - Growth	-	-	186,663	454.18	-	-
Birla Sun Life Savings Fund-Growth-Direct Plan	-	-	526,472	1,546.87	-	-
Birla Sunlife Floating Rate Fund - Long Term - Growth - Direct Plan	1,343,522	2,695.74	-	-	-	-
Birla Sun Life Short Term Fund -Growth-Direct Plan	4,972,176	3,109.76	-	-	-	-
Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	5,000,000	502.94	-	-	-	-
Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	5,000,000	504.36	-	-	-	-
DHFL Pramerica Banking and PSU Debt Fund - Direct Plan - Growth	7,035,911	1,012.92	-	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AB - Direct Plan - Growth	50,000	503.81	-	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AE - Direct Plan - Growth	50,000	502.78	-	-	-	-
DSP Blackrock Liquidity Fund -Direct - Growth	-	-	-	-	26,014	520.79
DSP Blackrock FMP - Series 152-12.5M-Direct - Growth	-	-	-	-	5,000,000	550.32

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
DSP Blackrock Liquidity Fund -Institutional Plan - Growth	-	-	-	-	42,576	851.29
DSP Blackrock Ultra Short Term Fund-Direct Plan-Growth	-	-	5,293,516	581.49	-	-
DSP BlackRock Short Term Fund - Direct Plan - Growth	**1,795,184**	**514.06**	-	-	-	-
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	**5,845,213**	**819.12**	-	-	-	-
DWS Short Maturity Fund - Regular Plan - Annual Bonus	-	-	-	-	4,182,953	702.14
DWS Treasury Fund - Investment - Regular Plan - Bonus	-	-	-	-	738,222	85.64
HDFC Banking and PSU Debt Fund- Direct Growth Option	**12,719,500**	**1,688.86**	8,776,220	1,055.65	4,539,471	500.97
HDFC Liquid Fund- Direct Plan-Growth Option	-	-	-	-	2,588,355	714.72
HDFC FMP 92D March 2016(1)-Direct Plan-Series-35	-	-	12,736,642	1,284.02	-	-
HDFC Medium Term Opportunity Fund-Direct Plan-Growth Option	**7,747,479**	**1,408.30**	-	-	-	-
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	**8,000,000**	**805.87**	-	-	-	-
HSBC Cash Fund-Growth Direct Plan	-	-	-	-	36,311	506.80
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	-	343,047	663.75
ICICI Prudential Income - Direct Plan - Growth	**1,127,467**	**614.66**	1,127,467	540.77	1,127,467	506.37
ICICI Prudential Interval Fund III Quarterly Interval - Direct Plan - Growth	-	-	-	-	3,367,661	505.91
ICICI Prudential Interval Fund II Quarterly Interval Plan A- Direct Plan - Growth	-	-	-	-	4,342,087	504.63
ICICI Prudential Flexible Income-Direct Plan - Growth	-	-	765,081	2,195.75	765,081	2,016.30
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	**2,324,522**	**611.61**	2,324,522	550.90	2,324,522	507.28
ICICI Prudential Savings Fund-Direct Plan-Growth	**891,708**	**2,245.18**	891,708	2,044.28	-	-
ICICI Prudential FMP Series 78-95 Days Plan K Direct Plan	-	-	15,000,000	1,517.22	-	-
ICICI Prudential Ultra Short Term - Direct Plan - Growth	**9,696,708**	**1,659.34**	-	-	-	-
IDFC Corporate Bond Fund Direct Plan-Growth	**2,000,000**	**224.32**	2,000,000	203.70	-	-
JP Morgan India Liquid Fund - Direct Plan - Growth	-	-	-	-	601,819	109.29
JPMorgan India Government Securities Fund - Direct Plan	-	-	5,125,218	644.82	5,125,218	605.23
JPMorgan India Treasury Fund - Direct Plan-Growth Option	-	-	-	-	4,342,327	800.00
Kotak Treasury Advantage Fund - Direct Plan - Growth	-	-	6,630,067	1,614.87	2,460,482	550.76
Kotak Low Duration Fund Direct Growth	**86,052**	**1,747.36**	82,859	1,534.40	-	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
Mahindra Liquid Fund - Direct - Growth	**73,679**	**775.57**	-	-	-	-
Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth	**-**	**-**	-	-	31,192	1,062.27
Reliance Liquid Fund-Treasury Plan-Direct Growth Plan - Growth Option	**-**	**-**	-	-	64,590	2,203.35
Reliance Short Term Fund - Direct Growth Plan Growth Option	**5,775,750**	**1,825.18**	5,775,750	1,664.81	5,775,750	1,533.55
Reliance Dynamic Bond Fund-Direct Growth Plan	**7,397,280**	**1,701.26**	5,248,591	1,076.10	5,248,591	1,012.70
Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan-Growth Option	**1,050,575**	**246.80**	1,050,575	222.98	1,050,575	203.41
Reliance Liquid Fund-Cash Plan-Direct Growth Plan	**-**	**-**	-	-	67,206	1,514.99
Reliance Quarterly Interval Fund-Series II-Direct Growth Plan-Growth Option	**-**	**-**	9,757,573	2,024.55	2,642,371	506.20
Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan	**5,000,000**	**608.04**	5,000,000	554.50	5,000,000	514.05
Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan	**5,000,000**	**607.98**	5,000,000	556.77	5,000,000	512.41
Reliance Money Manager Fund-Direct Growth Plan-Growth Option	**-**	**-**	9,803	205.83	-	-
Reliance Medium Term Fund-Direct Growth Plan-Growth Option	**2,892,506**	**1,003.40**	15,236,533	4,835.25	-	-
Reliance Fixed Horizon Fund-XXX-Series-9-Direct Growth Plan	**-**	**-**	10,000,000	1,009.29	-	-
Reliance Fixed Horizon Fund-XXX-Series 17-Direct Growth Plan	**5,000,000**	**548.79**	5,000,000	500.00	-	-
Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan	**5,000,000**	**553.92**	5,000,000	505.52	-	-
SBI Magnum Income Fund- Regular Plan - Growth	**-**	**-**	7,285,530	2,609.41	7,285,530	2,465.02
SBI Debt Fund Series A 14 - 380 days -Regular - Growth	**-**	**-**	-	-	5,000,000	543.82
SBI Debt Fund Series A 16 - 366 days -Regular - Growth	**6,000,000**	**760.75**	6,000,000	706.37	6,000,000	653.20
SBI Ultra Short Debt Fund - Regular Plan - Growth	**77,364**	**1,625.00**	-	-	35,401	635.43
SBI Treasury Advantage Fund - Direct Plan - Growth	**-**	**-**	245,884	4,187.21	97,174	1,516.56
SBI Magnum Insta Cash Fund - Regular Plan - Growth	**-**	**-**	-	-	161,890	5,003.17
SBI Dual Advantage Fund-Series XI-Regular-Growth	**1,000,000**	**111.43**	1,000,000	101.81	-	-
SBI Corporate Bond Fund-Regular Plan-Growth	**2,185,831**	**572.88**	2,185,831	520.96	-	-
SBI Dual Advantage Fund-Series XII-Regular-Growth	**1,000,000**	**111.41**	1,000,000	101.25	-	-
SBI Regular Savings Fund-Direct Plan-Growth	**8,122,464**	**2,367.22**	8,122,464	2,063.57	-	-
SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan-Growth	**-**	**-**	19,608	503.41	-	-
SBI Debt Fund Series-B-34 (1131 Days)-Direct Growth	**10,000,000**	**1,102.32**	10,000,000	1,008.22	-	-
SBI Dual Advantage Fund-Series XV-Regular-Growth	**2,000,000**	**215.62**	2,000,000	200.00	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	**125,743**	**3,201.03**	-	-	-	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
SBI Short Term Debt Fund - Regular Plan - Growth	**15,124,779**	**2,858.72**	-	-	-	-
SBI Dual Advantage Fund-Series XIX-Regular-Growth	**1,000,000**	**100.73**	-	-	-	-
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	**5,000,000**	**503.03**	-	-	-	-
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	**5,000,000**	**503.49**	-	-	-	-
Reliance Corporate Bond Fund-Direct Growth Plan	**19,888,720**	**2,678.91**	-	-	-	-
Reliance Floating Rate Fund - Short Term Plan - Direct Growth Plan	**3,826,008**	**1,005.96**	-	-	-	-
Reliance Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	**10,000,000**	**1,007.23**	-	-	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct	**-**	**-**	-	-	2,776,143	515.41
Invesco India Medium Term Bond Fund-Direct Plan Growth	**91,414**	**1,548.52**	65,864	1,023.01	-	-
Invesco India Ultra Short Term Fund- Direct Plan-Growth	**13,533**	**309.44**	-	-	-	-
UTI-Dynamic Bond Fund-Direct Plan-Growth	**3,142,915**	**618.39**	3,142,915	535.94	3,142,915	501.79
UTI-Short Term Income Fund-Institutional Option-Direct Plan-Growth	**7,181,427**	**1,459.48**	2,858,973	526.91	-	-
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	**-**	**-**	53,230	1,321.14	-	-
Birla Sun Life Cash Plus - Direct - Growth	**34,494**	**90.14**	-	-	-	-
		51,793.63		45,681.88		32,099.52
d) Other investments						
ASK Real Estate Fund		**152.50**		90.00		-
Reliance Yield Maximiser Fund		**368.19**		487.04		-
Forefront Alternative Investment Equity Scheme		**-**		200.00		-
Edelweiss (Ambit) Alpha Fund		**216.49**		200.00		-
India Whizdom Fund		**53.80**		20.00		-
Edelweiss Real Estate Opportunities Fund (EROF)		**64.00**		-		-
IDFC Score Fund		**42.00**		-		-
Indiabulls High Yield Fund		**98.83**		-		-
DSP Blackrock India Enhanced Equity Fund		**205.98**		-		-
Annuities in Senior Secured Estate Transactions II Fund- Essel Finance		**50.00**		-		-
ASK Real Estate Special Situation Fund		**10.00**		-		-
Indiabulls Dual Advantage Commercial Asset Fund		**125.49**		-		-
Reliance Yield Maximiser Scheme-III		**500.00**		-		-
		1,887.28		997.04		-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	**Fair Value (₹ in lakhs)**	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
e) Deposits						
-Unquoted						
HDFC Limited		**500.00**		500.00		800.00
Mahindra & Mahindra Financial Services Limited		**99.00**		99.00		-
Bajaj Finance Limited		**600.00**		300.00		-
PNB Housing Finance limited		**1,000.00**		500.00		500.00
Dewan Housing Finance Corporation Limited		**400.00**		-		-
		2,599.00		1,399.00		1,300.00
Total current investments (a + b + c + d + e)		**68,845.66**		55,126.76		34,838.95
Aggregate value of investments :						
Aggregate acquisition cost of unquoted investments		**52,937.78**		46,020.06		32,456.13
Aggregate acquisition cost of quoted investments		**12,382.73**		6,930.82		1,425.82
Aggregate market value of quoted investments		**12,565.75**		7,048.84		1,439.43

Note 12 : Current financial assets - Trade receivables

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
- Unsecured, considered good			
- Related parties	**450.65**	241.58	77.52
- Others	**111,788.36**	139,319.58	92,371.33
- Less: Allowance for credit losses	**(659.30)**	(754.90)	(1,099.90)
- Unsecured, considered doubtful	**36.96**	9.47	9.47
- Less: Allowance for credit losses	**(36.96)**	(9.47)	(9.47)
Total	**111,579.71**	138,806.26	91,348.95

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 13 : Current financial assets- Cash & cash equivalents

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
- Balances with banks			
- In current & cash credit accounts	**2,579.47**	1,292.10	2,227.71
- Fixed deposits	**-**	-	800.00
(with original maturity of less than three months)			
- Cheques, drafts in hand	**9.77**	6.97	10.50
- Cash in hand	**22.01**	24.44	28.49
Total	**2,611.25**	1,323.51	3,066.70

Note 14 : Current financial assets- other bank balance

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
- Balance with banks:			
- In fixed deposits accounts {Refer Note 14.1 (a)}	**8,954.80**	27,385.29	33,227.31
- In fixed deposit under lien held as margin money { Refer Note 14.1 (b) }	**478.75**	140.76	732.72
- Earmarked - unpaid dividend accounts	**134.94**	114.45	108.09
Total	**9,568.49**	27,640.50	34,068.12

Note 14.1 : Fixed deposits with banks

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
a) Free from any lien			
i) Maturing within one year	**8,954.80**	27,385.29	33,227.31
	8,954.80	27,385.29	33,227.31
b) Under lien for Letter of Credits and Guarantees			
i) Maturing within one year	**478.75**	140.76	732.72
	478.75	140.76	732.72
Total	**9,433.55**	27,526.05	33,960.03

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 15 : Current financial assets -Loans

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured, considered good			
Loans to employees (Refer Note 15.1)	**77.77**	65.79	63.11
Unsecured, considered good			
Loans to related parties	**7,270.00**	-	7.49
Advances to employees	**982.03**	751.79	462.95
Total	**8,329.80**	817.58	533.55

Note 15.1 : Loans to employees are secured by way of hypothecation of vehicles.

Note 16 : Current financial assets -Others

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Foreign currency forward contracts	**2,432.89**	1,294.47	846.78
Security Deposits			
Secured, considered good	**6.43**	2.20	11.01
Unsecured, considered good	**535.77**	744.10	791.10
Others			
Interest accrued but not due	**397.18**	734.13	1,076.51
Total	**3,372.27**	2,774.90	2,725.40

Note 17 : Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances other than capital advances			
Advances to related parties	**222.99**	129.16	-
Advances to suppliers	**23,011.98**	14,285.05	14,860.38
Others			
Pre-paid expenses	**737.48**	570.52	772.91
Balance with government department	**2,244.59**	2,960.09	4,044.01
Group gratuity fund	**25.04**	34.43	151.26
Export Incentive receivable	**1,722.04**	2,457.59	2,417.62
Others	**305.41**	466.47	220.10
Total	**28,269.53**	20,903.31	22,466.28

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 18 : Equity share capital

Particulars	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	**(₹ in lakhs)**	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
Authorised (Equity shares of ₹ 10/- each with voting rights)	**8,500,000**	**850.00**	8,500,000	850.00	8,500,000	850.00
Issued (Equity shares of ₹ 10/- each with voting rights)	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29
Subscribed & paid up (Equity shares of ₹ 10/- each with voting rights)	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29
Total	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	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 ₹ 10 per share. Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity share holders.

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

Particulars	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	**(₹ in lakhs)**	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the Year	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29
Add: Issued during the year	**-**	**-**	-	-	-	-
Less: Shares bought back	**-**	**-**	-	-	-	-
Equity shares outstanding at the end of the year	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

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

Class of shares/name of the shareholders:	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% Holding in that class of shares	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	**3,296,526**	**44.83%**	3,296,526	44.83%	3,296,526	44.83%
(ii) Mr. Ranjit Puri (individually and/or jointly with others)	**659,201**	**8.97%**	659,201	8.97%	659,201	8.97%
(iii) Mr. Aditya Puri (individually and/or jointly with others)	**456,808**	**6.21%**	456,808	6.21%	456,808	6.21%
(iv) Mr. Ranjan Tandon (individually and/or jointly with others)	**438,900**	**5.97%**	438,900	5.97%	438,900	5.97%

(d) Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Fully paid equity shares	-	-	-	16,589	-

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

Note 19 : Other equity

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
(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

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
(c) Securities premium account		
Balance outstanding at the beginning of the year	**450.22**	450.22
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year	**450.22**	450.22
(d) General reserve		
Balance outstanding at the beginning of the year	**17,439.54**	17,439.54
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year	**17,439.54**	17,439.54
(e) Retained earnings		
Balance outstanding at the beginning of the year	**77,082.34**	60,199.22
Add: Net profit for the year	**18,863.39**	18,992.33
- Remeasurement of post employment benefit obligation (net of tax) (Refer Note No. 19.1)	**(35.90)**	(339.23)
Less: Appropriations		
- Dividend for the year ended March 31, 2016 @ ₹ 10 /- per share (for the year ended March 31, 2015 @ ₹ 10/- per share)	**735.30**	735.30
- Interim Dividend for the year ended March 31, 2017 @ ₹ 15/- per share (for the year ended March 31, 2016 @ ₹ 10/- per share)	**1,102.91**	735.30
- Dividend tax	**149.68**	299.38
Balance outstanding at the end of the year	**93,921.94**	77,082.34
Total	**111,814.95**	94,975.35

Note 19.1: 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 19.2 : Nature and purpose of reserves

Capital Reserve
40 equity shares of ₹ 10/- each are yet to be allotted by way of bonus shares on receipt of fractional certificates, value of which has been shown under capital reserve.

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 Reserves
Securities premium reserves is used to record the premium on issue of 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 the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 20 : Non current financial liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
From banks			
External commercial borrowings (refer note 20.1 below)	-	-	1,648.33
Total	-	-	1,648.33

Note 20.1 : Details of term loans from banks

(₹ in lakhs)

Balance	Loan amount outstanding	Current maturity	Long term	Rate of interest (p.a.)	Initial loan amount	Term of repayment	Security
As at March 31, 2017	-	-	-	8.23%	5658.00	Repayable in quarterly installments. First installment of ₹ 176.81 lakhs was due and paid on 24.10.2011 and balance repayable in equal quarterly installments of ₹ 365.41 lakhs. Last installment was paid on 22.07.2015	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
As at March 31, 2016	-	-	-				
As at April 1, 2015	730.83	730.83	-				
As at March 31, 2017	-	-	-	7.10%	9890.00	Repayable in quarterly installments. First installment of ₹ 329.67 lakhs was due and paid on 05.01.2013. The balance is payable in 14 quarterly installments of ₹ 659.33 lakhs and last installment of ₹ 329.67 lakhs. Last installment was paid on 05.10.2016	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
As at March 31, 2016	1,644.80	1,644.80	-				
As at April 1, 2015	4,267.59	2,619.26	1,648.33				

Note 21 : Non current financial liabilities - Trade payable

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due to parties registered under MSMED Act (refer note no. 21.1)	-	-	-
Due to other parties	-	6.25	6.25
Total	-	6.25	6.25

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 21.1 : Trade payables to micro and small enterprises

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
(a) Amount remaining unpaid to any supplier			
-Principal amount remaining unpaid	-	-	-
-Interest due on above	-	-	-
(b) Interest paid under MSMED Act, 2006	-	-	-
(c) Interest due (other than (b) above)	-	-	-
(d) Interest accrued and unpaid	-	-	-
(e) Interest due and payable till actual payment	-	-	-

Note 22 : Non current financial liabilities - Other financial liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Security deposit under car loan scheme	**181.36**	212.46	198.43
Security Deposit -Others	**1.55**	1.68	10.06
Total	**182.91**	214.14	208.49

Note 23 : Long term provisions

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
-Leave encashment	**1,973.91**	1,786.23	1,305.32
-Pension provision	**1,018.58**	1,114.72	1,047.20
	2,992.49	2,900.95	2,352.52
Provision for warranty (Refer Note 23.1 & 23.2)	**3,748.97**	8,139.46	10,253.85
Total	**6,741.46**	11,040.41	12,606.37

Note 23.1 : Provision for warranty

Provision is made for the estimated warranty claims and after sales services in respect of products sold.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 23.2 : Movement of provision for warranty

(₹ in lakhs)

Nature of Provisions	Warranties		
	2016-17	2015-16	2014-15
Movement of provision for performance warranties/after sales services			
Carrying amount at the beginning of the year	**17,774.72**	15,668.90	14,869.46
Additional provision made during the year	**3,376.16**	5,094.02	5,422.53
Amount used during the year	**(3,357.69)**	(2,610.96)	(2,951.12)
Amount reversed during the year	**(892.82)**	(673.22)	(312.44)
Adjustment due to discounting	**540.52**	295.98	(1,359.53)
Carrying amount at the end of the year	**17,440.89**	17,774.72	15,668.90
Break up of Carrying amount at the end of the year			
Long term provisions	**3,748.97**	8,139.46	10,253.85
Short term provisions (Refer note 30)	**13,691.92**	9,635.26	5,415.05

Note 24 : Deferred Tax

24.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Property, plant and equipment	**(1,415.52)**	(1,584.57)	(1,948.14)
Employee benefits	**975.34**	899.48	731.78
Trade receivables	**12.79**	3.28	3.22
Net deferred tax Liabilities	**(427.39)**	(681.81)	(1,213.14)

24.2 : Movement in deferred tax Liabilities/deferred tax assets

(₹ in lakhs)

	Defined Benefit Obligation	**Fixed Assets**	**Other items**	**Total**
At April 1, 2015	**731.78**	**(1,948.14)**	**3.22**	**(1,213.14)**
(Charged)/credited:-				
-to profit & loss	(11.85)	363.57	0.06	351.78
-to other Comprehensive Income	179.55	-	-	179.55
At March 31, 2016	**899.48**	**(1,584.57)**	**3.28**	**(681.81)**
(Charged)/credited:-				
-to profit & loss	56.86	169.05	9.51	235.42
-to other Comprehensive Income	19.00	-	-	19.00
At March 31, 2017	**975.34**	**(1,415.52)**	**12.79**	**(427.39)**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 25 : Other non current liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Advance from customers	**14,827.19**	15,317.44	13,810.95
Lease equalisation reserve	**42.10**	24.78	-
Total	**14,869.29**	15,342.22	13,810.95

Note 26 : Current financial liabilities - Borrowings

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Secured			
From banks			
Cash credit accounts (refer note 26.1 and 26.2)	**3,456.23**	3,829.35	3,455.46
Packing credit loans from banks (refer note 26.1 and 26.3)			
In foreign currency (in US Dollars)	**-**	2,321.65	17,485.68
In Indian rupees	**5,500.00**	14,000.00	-
Unsecured			
From banks			
Packing credit loans from banks (refer note 26.3)			
In foreign currency (in US Dollars)	**-**	-	1,251.82
In Indian rupees	**2,000.00**	9,500.00	-
Total	**10,956.23**	29,651.00	22,192.96

Note: 26.1 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: 26.2 Repayable on demand. Rates of Interest varied from 9.50% to 12.90% during the above periods.

Note: 26.3 Average rate of interest on Packing Credit Loans from Banks:

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
In foreign currency(in US Dollars)	**NIL**	0.97%	1.13%
In Indian rupees	**7.47%**	9.08%	NA

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 27 : Current financial liabilities - Trade payable

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due to parties registered under MSMED Act (refer note 27.1)	**25.42**	17.51	57.44
Due to other parties	**131,162.86**	134,126.05	104,100.01
Due to related Parties	**8.57**	504.02	23.36
Total	**131,196.85**	134,647.58	104,180.81

Note 27.1 : Trade payables to micro and small enterprises

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Amount remaining unpaid to any supplier			
-Principal amount remaining unpaid	**25.42**	17.51	57.44
-Interest due on above	**-**	-	-
(b) Interest paid under MSMED Act, 2006	**0.01**	0.09	0.03
(c) Interest due (other than (b) above)	**-**	-	-
(d) Interest accrued and unpaid	**-**	-	-
(e) Interest due and payable till actual payment	**-**	-	-

Note 28 : Current financial liabilities - Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of long term debt (refer note 20.1)	**-**	1,644.80	3,350.09
Unpaid dividends	**134.94**	114.45	108.09
Interest accrued but not due on borrowings	**20.62**	96.47	304.74
Security deposit received	**91.91**	102.60	89.04
Payable to employees	**797.62**	718.66	1,386.12
Capital creditors	**313.35**	241.69	179.10
Managerial /Director remuneration payable	**2,750.63**	2,895.89	2,364.10
Payable to related parties	**0.04**	-	-
Others	**467.96**	225.61	380.97
Total	**4,577.07**	6,040.17	8,162.25

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 29 : Other current liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Advance from customers	**35,994.90**	32,500.74	32,789.84
Statutory dues payable	**825.94**	1,045.37	806.33
Forward contracts	**2,281.91**	1,294.47	846.78
Others	**1,559.57**	1,484.91	1,049.65
Total	**40,662.32**	36,325.49	35,492.60

Note 30 : Short term provisions

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
-Leave encashment	**190.94**	175.24	150.32
-Pension provision	**154.67**	102.71	143.67
	345.61	277.95	293.99
Provision for CSR (Note 30.1 & 30.2)	**3.60**	110.63	172.76
Provision for warranty (Refer Note 23.1 & 23.2)	**13,691.92**	9,635.26	5,415.05
Total	**14,041.13**	10,023.84	5,881.80

Note 30.1 : Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

Refer details in annexure on CSR in Board's report.

Note 30.2 : Movement of provision for Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	**2016-17**	2015-16	2014-15
Carrying amount at the beginning of the year	**110.63**	172.76	-
Additional provision made during the year	**372.22**	257.60	172.76
Amount spent during the year	**(479.25)**	(319.73)	-
Carrying amount at the end of the year	**3.60**	110.63	172.76

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 31 : Current tax liabilities (net)

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Provisions for income- tax	**8,386.64**	10,218.32	8,625.75
Less: Prepaid Income Taxes	**8,156.61**	9,252.95	7,557.36
Total	**230.03**	965.37	1,068.39

Note 32 : Revenue from operations

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Sale of products	**262,442.96**	355,477.51
Erection, commissioning and related services	**36,204.69**	29,743.19
Other operating revenue (refer note 32.1 below)	**12,451.05**	10,277.92
Total	**311,098.70**	395,498.62

Note 32.1 : Other operating revenues

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Commission Earned	**94.91**	126.53
Export Incentive	**3,046.17**	4,625.46
Packing Receipts	**11.62**	15.84
Unclaimed Balances Written Back	**47.71**	21.67
Excess Provision Written Back	**788.69**	390.91
Foreign Exchange Fluctuations	**4,242.27**	1,238.28
Bad Debt written off now realised	**-**	2.72
Scrap and Waste Sale	**849.84**	834.80
Lease rent receipts (refer note 46)	**2,835.00**	2,836.35
Others	**534.84**	185.36
Total	**12,451.05**	10,277.92

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 33 : Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest income :		
On loans to subsidiary companies	**174.55**	0.13
Other interest income	**581.30**	395.37
On bank deposits	**1,951.80**	2,710.52
On fair value of financial instrument	**8.33**	6.84
Total	**2,715.98**	3,112.86
(b) Dividend income on investments :		
Other companies	**2.08**	0.15
Subsidiary company - Saraswati Sugar Mills Limited	**1,104.03**	-
Total	**1,106.11**	0.15
(c) Gain on sale of investments	**3,718.36**	1,544.71
Total	**3,718.36**	1,544.71
(d) Other non operating income :		
Profit on sale of fixed assets	**59.02**	22.18
Insurance claim receipts	**196.63**	65.71
Insurance claim receipts against property, plant & equipment	**15.21**	17.33
On fair valuation of financial instruments	**1,349.26**	1,218.89
Other non-operating income	**153.23**	113.06
Total	**1,773.35**	1,437.17
(e) Profit from farm operations (refer note no 33.1)	**9.91**	4.03
Total	**9.91**	4.03
Grand Total	**9,323.71**	6,098.92

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 33.1 : Profit from farm operations

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Income:		
Sale of farm produce	**18.75**	13.58
Miscellaneous income	**0.14**	-
Total	**18.89**	13.58
Expenditure:		
Salaries, wages and bonus	**6.55**	6.07
Cultivation expenses	**3.35**	2.79
Miscellaneous expenses	**0.24**	0.31
Repairs and maintenance:		
- Machinery and tractors	**0.68**	0.47
- Building	**-**	-
Depreciation	**0.04**	0.05
	10.86	9.69
(Increase)/decrease in stock	**(1.88)**	(0.14)
Total	**8.98**	9.55
Profit	**9.91**	4.03

Note 34 : Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw material consumed (refer note 34.1)	**39,029.09**	40,126.29
Store consumed	**3,691.44**	3,741.87
Total	**42,720.53**	43,868.16

Note 34.1 : Details of raw materials and components consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Iron and steel	**10,645.21**	10,440.03
Alloys	**1,224.24**	918.45
Components and M.S. scrap	**27,159.64**	28,767.81
Total	**39,029.09**	40,126.29

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 35 : Purchases of goods for resale

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchases of goods for resale	**117,874.54**	192,647.80
Total	**117,874.54**	192,647.80

Note 36 : Changes in inventories of finished goods, stock - in - trade & work - in - progress

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock:		
Finished goods	**-**	-
Work - in - progress	**18,057.25**	25,614.18
Total	**18,057.25**	25,614.18
Closing stock:		
Finished Goods	**-**	-
Work - in - Progress	**22,920.98**	18,057.25
Total	**22,920.98**	18,057.25
Changes in inventory	**(4,863.73)**	7,556.93

Note 37 : Employee benefits expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries & wages	**24,085.87**	22,093.18
Contribution to provident & other funds	**1,934.67**	2,055.74
Staff welfare expenses	**763.92**	647.83
Total	**26,784.46**	24,796.75

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

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	**2016-17**	2015-16	2014-15
Provident Fund	**1,234.53**	1,132.69	979.14
Employees State Insurance	**16.13**	9.36	12.50
Superannuation fund	**57.70**	49.93	38.31
National Pension Scheme	**102.78**	37.78	-
Total	**1,411.14**	1,229.76	1,029.95

(b) Defined Benefits Plan :

The liability for Employee Gratuity and Leave Encashment is determined on actuarial valuation using projected unit credit method.

The obligations are as under:-

(₹ in lakhs)

Particulars	**Gratuity (Funded)**			**Leave Encashment (Non-funded)**		
	2016-17	2015-16	2014-15	**2016-17**	**2015-16**	**2014-15**
i. Change in Present value of Obligation						
a. Present Value of Obligation at the beginning of the year	**5,109.37**	4,121.30	3,592.91	**1,961.47**	1,455.64	1,248.59
b. Interest cost	**383.20**	329.70	287.43	**147.79**	116.45	99.89
c. Current service cost	**472.38**	436.13	321.62	**365.65**	353.84	254.49
d. Benefits paid	**(377.10)**	(297.74)	(356.09)	**(509.04)**	(399.76)	(355.88)
e. Actuarial (gain) / loss	**91.27**	519.98	275.43	**198.99**	435.30	208.55
f. Present Value of Obligation at the end of the year	**5,679.12**	5,109.37	4,121.30	**2,164.85**	1,961.47	1,455.64
ii. Change in the Fair Value of Plan Assets						
a. Fair Value of Plan Assets at the beginning of the year	**5,143.80**	4,272.56	3,664.57	**N.A.**	N.A.	N.A.
b. Actual Return on Plan Assets	**422.15**	363.17	329.81	**-**	-	-
c. Contributions	**523.53**	825.98	642.86	**-**	-	-
d. Mortality, admin and FMC charges	**(8.21)**	-	-	**-**	-	-
e. Benefits paid	**(377.10)**	(297.74)	(356.09)	**-**	-	-
f. Actuarial Gain / (Loss) on Plan Assets	**-**	(20.17)	(8.59)	**-**	-	-
g. Fair Value of Plan Assets at the end of the year	**5,704.17**	5,143.80	4,272.56	**-**	-	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
iii. Reconciliation of Fair Value of Assets and Obligations						
a. Fair Value of Plan Assets at the end of the year	**5,704.17**	5,143.80	4,272.56	**-**	-	-
b. Present Value of Obligation at the end of the year	**5,679.12**	5,109.37	4,121.30	**2,164.85**	1,961.47	1,455.64
c. Amount recognised in the Balance Sheet	**25.04**	34.43	151.26	**(2,164.85)**	(1,961.47)	(1,455.64)
- Current	**25.04**	34.43	151.26	**(190.94)**	(175.24)	(150.32)
- Non Current	**-**	-	-	**(1,973.91)**	(1,786.23)	(1,305.32)
iv. Expenses recognised in the statement of Profit & Loss						
a. Current Service Cost	**472.38**	436.13	321.62	**365.65**	353.84	254.49
b. Interest Cost	**383.20**	329.70	287.43	**147.79**	116.45	99.89
c. Expected Return on Plan Assets	**(385.78)**	(341.81)	(329.81)	**-**	-	-
d. Actuarial (Gain) / Loss	**-**	-	284.02	**198.99**	435.30	208.55
e. Expenses recognised in the Profit & Loss	**469.79**	424.02	563.26	**712.42**	905.59	562.93
v. Recognised in other comprehensive income for the year						
a. Net cumulative unrecognized actuarial gain/(loss) opening	**(518.78)**	-	-	**-**	-	-
b. Actuarial gain/(loss) for the year on present benefit obligation	**(91.27)**	(519.98)	-	**-**	-	-
c. Actuarial gain/(loss) for the year on assets	**36.36**	1.19	-	**-**	-	-
d. Unrecognized actuarial gain/(loss) at the end of the year	**(573.69)**	(518.78)	-	**-**	-	-
vi. Actuarial Assumptions						
a. Discount Rate (per annum)	**7.50%**	7.50%	8.00%	**7.51%**	7.50%	8.00%
b. Estimated Rate of return on Plan Assets (per annum)	**0.00%**	8.50%	9.00%	**-**	-	-
c. Rate of Escalation in Salary (per annum)	**7.50%**	7.50%	6.50%	**7.17%**	7.50%	6.50%

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

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
Defined Benefit Obligation	**5,679.12**	5,109.37	4,121.30	**2,164.85**	1,961.47	1,455.64
Plan Assets	**5,704.17**	5,143.80	4,272.56	**-**	-	-
Surplus / (Deficit)	**25.04**	34.43	151.26	**(2,164.85)**	(1,961.47)	(1,455.64)

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
a. Within next twelve months	**805.72**	**-**	**-**	**189.61**	-	-
b. Between two and five years	**871.90**	**-**	**-**	**259.48**	-	-
c. Between six and ten years	**4,001.51**	**-**	**-**	**1,715.77**	-	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	**2015-16**	**2014-15**
a) Impact of the change in discount rate						
Present value of obligation at the end of the period	**5,679.12**	-	-	**2,164.85**	-	-
(i) Impact due to increase of 0.50%	**(244.19)**	-	-	**(135.45)**	-	-
(ii) Impact due to decrease of 0.50%	**265.16**	-	-	**149.40**	-	-
(b) Impact of the change in salary						
Present value of obligation at the end of the period	**5,679.12**	-	-	**2,164.85**	-	-
(i) Impact due to increase of 0.50%	**263.88**	-	-	**148.76**	-	-
(ii) Impact due to decrease of 0.50%	**(245.28)**	-	-	**(136.12)**	-	-

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)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	**2015-16**	**2014-15**
Fund managed by insurer	**100%**	100%	100%	**-**	-	-

(g) Mortality rate

	Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
Mortality rate for specimen ages	15	0.000614	45	**0.002874**	75	0.039637
	20	0.000888	50	**0.004946**	80	0.060558
	25	0.000984	55	**0.007888**	85	0.091982
	30	0.001056	60	**0.011534**	90	0.138895
	35	0.001282	65	**0.017009**	95	0.208585
	40	0.001803	70	**0.025855**	100	0.311628

Note 38 : Finance costs

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest	**1,908.10**	1,850.27
Interest & finance charges on fair value of financial instrument	**3.53**	14.54
Other borrowing costs	**168.15**	117.47
Total	**2,079.78**	1,982.28

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 39: Depreciation and amortization expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property plant & equipment	**5,342.50**	5,475.70
Amortization of Intangible assets	**1,039.80**	954.38
Total	**6,382.30**	6,430.08

Note 40 : Other expense

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Excise duty on sale of goods	**7,945.07**	8,209.90
Power & fuel	**2,418.39**	2,632.66
Other manufacturing expenses	**10,471.36**	9,420.05
Repairs & maintenance		
-Machinery	**854.53**	695.29
-Building	**534.29**	594.46
-Others	**219.91**	71.58
Rent	**748.65**	721.77
Insurance	**546.39**	567.85
Rates and taxes	**175.61**	105.57
Commission to selling agents and others	**2,455.01**	2,607.33
Bank charges	**1,284.07**	1,094.85
Royalty	**957.68**	1,496.86
Electricity and water charges	**336.27**	341.68
Donation	**10.14**	2.40
Office and miscellaneous expenses	**7,544.53**	6,487.23
Payment to statutory auditors		
-Statutory audit fees	**9.05**	9.00
-For company law matters	**0.45**	0.74
-For reimbursement of expenses	**1.84**	1.79
Packing, Forwarding and Transportation Expenses	**16,186.59**	18,130.24
Design & technical expenses	**3,862.41**	5,095.50
Travelling expenses	**5,140.42**	5,210.85
Managerial remuneration	**2,854.57**	2,978.76
Directors' commission / fee	**13.77**	7.97
Rebate and discount	**-**	307.62
Corporate social responsibility (CSR) expenses(Refer Note 40.1)	**372.22**	257.60
Bad debts written off	**1.20**	340.83
Loss on assets sold / written off	**23.62**	35.36
Adjustment of expected credit loss	**(95.59)**	(345.00)
Total	**64,872.45**	67,080.74

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 40.1: CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by the company during the year is ₹ 372.22 lakhs. The company was required to spend the sum of ₹ 110.63 lakhs for the F.Y 2015-16 and ₹ 372.22 lakhs for the F.Y 2016-17 totaling to ₹ 482.85 lakhs. An amount of ₹ 479.25 lakhs has been spent. The balance minor amount of ₹ 3.60 lakhs has been provided in the balance sheet which will be spent in the next year.

b) Amount spent during the year on:

(₹ in lakhs)

Particulars	**In Cash**	Yet to be paid in cash
(i) Construction / acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**479.25**	3.60

Note 41 : Tax expense

A. Income Tax Expenses

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
(a) Current Tax		
Current tax on profit for the period	**8,138.25**	9,643.31
Adjustments for current tax of prior periods	**-**	-
Total Current Tax Expenses	**8,138.25**	9,643.31
(b) Deferred tax		
Decrease /(Increase) in Deferred Tax Assets	**(66.37)**	11.79
(Decrease) / Increase in Deferred Tax Liabilities	**(169.05)**	(363.57)
Total Deferred Tax Expenses	**(235.42)**	(351.78)
Total Income Tax Expenses	**7,902.83**	9,291.53

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Profit for the year (before income tax expense)	**26,766.22**	28,283.86
Tax at Indian tax rate of 34.608% (2015-16 - 34.608%)	**9,263.25**	9,788.48
Tax effects of amounts which are not deductible(taxable) in calculating taxable income		
Add: Non deductible expenses		
- Book Depreciation charged on Lease Hold Land (non-depreciable asset under income tax)	**25.24**	24.79
- Corporate social responsibility expenses	**128.82**	89.15
- Donation	**3.51**	0.83
- Loss on sale of fixed assets	**8.18**	12.24
- Tax on perquisites	**15.06**	13.81
- Interest Expenses on ECB Loan	**-**	5.03
- Lease Rent Equalization Expenses	**6.00**	8.58
-Lease Rent Expenses on security deposit	**2.67**	2.26
- Warranty Cost	**-**	102.43
- Short Term Capital Gain on sales of mutual fund	**1,017.70**	-
	10,470.43	10,047.60
Less:		
Additional amount deductible		
- Investment Allowance u/s 32AC (1A)	**262.18**	132.66
- Donation to PMNRF (100% allowable u/s 80G)	**89.29**	69.22
Income not taxable		
- Profit on sales of fixed assets	**20.42**	7.68
- Exempted agricultural income u/s 10 (1)	**3.14**	1.39
- Exempted dividend income u/s 10 (34)	**382.81**	0.05
- Gain on sales of investments	**1,286.85**	-
- Increase in fair value of investments	**466.95**	421.82
- Interest income on fair value of security deposit	**2.88**	2.37
- Reversal of provision (expected credit loss)	**33.08**	119.40
- Reversal of provision for diminution in value of investment	**-**	7.88
- Reversal of provision (doubtful debts)	**9.51**	0.38
Change in rate of tax	**10.49**	(6.79)
Total	**7,902.83**	9,291.54

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 42 : Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Net profit / (loss) available to equity shareholders (₹ in Lakhs)	**18,863.39**	18,992.33
b) Number of weighted average equity shares outstanding during the period for the purpose of calculation of earning per share	**7,352,951**	7,352,951
c) Nominal value of equity share (in ₹)	**10.00**	10.00
d) Basic & diluted earning per share (in ₹)	**256.54**	258.30

Note 43 : Contingent liabilities & assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contingent Liabilities: (to the extend not provided for)			
a) Claims against the company not acknowledged as debts (including sales tax under dispute)	**857.46**	1,381.93	1,221.41
b) Bonds executed in favor of President of India against Export Promotion Capital Goods license and advance authorisation and others *	**16,955.82**	12,340.33	14,862.00
* includes bonds given on behalf of subsidiary company Isgec Hitachi Zosen Ltd.	**1,772.20**	1,772.20	6,202.00

Note 44 : Corporate Guarantee

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Corporate guarantees given on behalf of joint venture company Isgec Hitachi Zosen Limited to Banks	**25,332.52**	18,248.58	19,127.82
b) Corporate guarantees given on behalf of joint venture company Isgec Titan Metal Fabricators Private Limited to Banks	**549.59**	-	-

Note 45 : Commitments

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Capital Commitments			
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	**1,868.53**	2,622.45	1,560.20

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 46 : Leases

A. Company as a lessee

The Company has taken various residential /commercial premises and plant and machinery under cancellable operating leases. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' the lease rent charged to statement of Profit & Loss for the year are:

(₹ in lakhs)

Particulars		**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
a)	Residential premises	**284.89**	265.54	228.20
b)	Commercial premises	**458.66**	451.26	361.00
c)	Plant and machinery	**5.10**	4.97	4.82
	Total	**748.65**	721.77	594.02

B. Company as a Lessor

The Company has given on lease factory, land and plant and machinery under operating lease. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' disclosure of the future minimum lease income under non cancellable operating leases in the aggregate and for each of the following periods:

(₹ in lakhs)

Particulars		**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
(i)	Not later than one year	**2,837.16**	2,837.16	2,831.80
(ii)	Later than one year and not later than five years	**11,346.48**	11,348.64	11,320.00
(iii)	Later than five years	**-**	2,835.00	5,660.00
	Total	**14,183.64**	17,020.80	19,811.80

Note 47 : Segment Information

The Company operates in only one segment of engineering business which comprises of production and sales of Engineering Equipment's, identified in accordance with principle enunciated in Indian Accounting Standard (Ind AS-108), Segment Reporting. Hence, separate business segment information is not applicable.

The Managing Director of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided below or in the financial statements.

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

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**			Year ended March 31, 2016		
	Domestic	**Overseas**	**Total**	Domestic	Overseas	Total
Revenue by geographical market	**197,455.72**	**122,966.69**	**320,422.41**	256,886.81	144,710.73	401,597.54

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

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

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**			Year ended March 31, 2016		
	Domestic	**Overseas**	**Total**	Domestic	Overseas	Total
Carrying amount of assets	**47,973.61**	**28.55**	**48,002.16**	47,620.18	-	47,620.18
Addition to fixed assets	**7,364.98**	**-**	**7,364.98**	12,573.52	-	12,573.52

Note 48: 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, 2017	As at March 31, 2016	As at April 1, 2015
(i)	**Holding Company**	None			
(ii)	**Subsidiaries**				
1	Saraswati Sugar Mills Limited	India	100	100	100
2	Isgec Covema Limited	India	100	100	100
3	Isgec Exports Limited	India	100	100	100
4	Isgec Engineering & Projects Limited	India	100	100	100
5	Freelook Software Private Limited	India	100	100	100
(iii)	**Associates**	None			
(iv)	**Joint Ventures**				
1	Isgec Hitachi Zosen Limited	India	51	51	51
2	Isgec Foster Wheeler Boilers Private Limited	India	51	51	Nil
3	Isgec Titan Metal Fabricators Private Limited	India	51	51	Nil
4	Isgec Redecam Enviro Solutions Private Limited	India	51	Nil	Nil
(v)	**Entities over which key management personnel can exercise significant influence**				
1	Yamuna Syndicate Ltd.				
2	Kamla Puri Charitable Trust				
3	Kamla Puri Charitable Foundation				
4	Blue Water Enterprises				

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(vi)	**Key Management Personnel**	**(Designation)**	
1	Mr. Aditya Puri	(Managing Director)	
2	Mrs. Nina Puri	(Whole-time Director)	
3	Mr. S.K. Khorana	(Company secretary)	
4	Mr. Kishore Chatnani	(Chief Financial Officer)	
(vii)	**Relatives of Key Management Personnel**	**(Relationship)**	
	Mr. Ranjit Puri (Chairman)	(Father of Mr. Aditya Puri, Managing Director and Husband of Mrs. Nina Puri, Whole-time Director)	
(viii)	**Trust for post employment benefit**	**Principal place of operation / Country of incorporation**	**Principal Activities**
1	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	India	Company's employee provident fund trust
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
3	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
5	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	India	Company's employee gratuity trust
6	Saraswati Industrial Syndicate Limited Superannuation Scheme	India	Company's employee superannuation trust
7	Isgec John Thompson Staff Provident Fund	India	Company's employee provident fund trust

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

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	2016-17	2015-16
1	**Purchase of goods**		
	-Joint Venture		
	Isgec Hitachi Zosen Limited	**1.21**	732.97
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**60.33**	155.52
	Total	**61.54**	888.49
2	**Sale of goods**		
	-Subsidiaries		
	Saraswati Sugar Mills Limited	**44.93**	12.87
	-Joint Venture		
	Isgec Hitachi Zosen Limited	**566.65**	166.27
	Isgec Titan Metal Fabricators Pvt. Ltd.	**0.94**	-
	Total	**612.52**	179.14
3	**Purchase of fixed Assets**		
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**5.34**	3.00
	Total	**5.34**	3.00
4	**Sale of fixed assets**		
	-Joint Venture		
	Isgec Hitachi Zosen Limited	**-**	1.27
	Total	**-**	1.27
5	**Rendering of services**		
	-Subsidiaries		
	Saraswati Sugar Mills Limited	**12.00**	0.34
	-Joint Venture		
	Isgec Hitachi Zosen Limited	**478.00**	602.65
	Isgec Foster wheeler Boilers Pvt. Ltd.	**136.97**	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	**14.42**	-
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**33.27**	31.49
	Total	**674.66**	634.48

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	2016-17	2015-16
6	**Services received**		
	-Joint Venture		
	Isgec Hitachi Zosen Limited	**62.84**	35.89
	Isgec Titan Metal Fabricators Pvt. Ltd.	**2.79**	-
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**0.21**	0.11
	Total	**65.84**	36.00
7	**Rent received**		
	-Joint Venture		
	Isgec Hitachi Zosen Limited	**2,835.00**	2,836.35
	-Entities over which key management personnel can exercise significant influence		
	Yamuna Syndicate Ltd.	**0.39**	0.39
	Total	**2,835.39**	2,836.74
8	**Rent Paid**		
	-Subsidiaries		
	Isgec Engineering & Projects Limited	**8.64**	3.60
	-Entities over which key management personnel can exercise significant influence		
	Blue Water Enterprises	**70.68**	70.05
	Total	**79.32**	73.65
9	**Interest Received**		
	-Subsidiaries		
	Saraswati Sugar Mills Limited	**174.55**	0.13
	Total	**174.55**	0.13
10	**Key management personnel compensation**		
	Short Term Employee Benefits	**3,023.12**	3,119.62
	Post-employment benefits *	**28.87**	25.16
	Total Compensation	**3,051.99**	3,144.78

* The post employment benefits excludes gratuity and leave encashment which can not be separately identified from the composite amount advised by the actuary.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

11	**Contribution to trust for post employment benefit**		
	Name of trust	**2016-17**	2015-16
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	**1234.53**	1132.69
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	**479.57**	776.09
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	**42.96**	45.06
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	**1.00**	4.83
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	**-**	-
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	**57.70**	49.93
g	Isgec John Thompson Staff Provident Fund	**-**	-

C. Amount due to / from related parties

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	**Amount payable as at year end**			
	-Joint Venture			
	Isgec Hitachi Zosen Limited	**0.23**	491.34	19.24
	Isgec Titan Metal Fabricators Pvt. Ltd.	**1.50**	-	-
	-Subsidiaries			
	Saraswati Sugar Mills Limited	**0.25**	-	-
	-Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Ltd.	**6.63**	12.68	4.13
	-Key management personnel			
	Mr. Aditya Puri (Managing Director)	**1,355.03**	1432.90	1168.83
	Mrs. Nina Puri (Wholetime Director)	**1,394.13**	1461.65	1194.02
	-Relatives of Key management personnel			
	Mr. Ranjit Puri (Chairman)	**0.23**	0.23	0.23
	Total	**2,758.00**	3,398.80	2,386.45

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

S.no	Nature of Transaction/Relationship	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2	**Amount receivable as at year end**			
	-Subsidiaries			
	Saraswati Sugar Mills Limited	**7319.34**	23.67	46.07
	-Joint Venture			
	Isgec Hitachi Zosen Limited	**607.44**	347.07	38.93
	Isgec Foster wheeler Boilers Pvt. Ltd.	**2.76**	-	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	**14.11**	-	-
	-Entities over which key management personnel can exercise significant influence			
	Blue Water Enterprises	**9.34**	8.62	7.96
	Total	**7,952.99**	379.36	92.96
3	**Investment as at year end**			
	-Subsidiaries			
	Saraswati Sugar Mills Limited	**7009.99**	7009.99	7009.99
	Isgec Engineering & Projects Limited	**400.00**	400.00	360.00
	Isgec Covema Limited	**200.00**	200.00	200.00
	Isgec Exports Limited	**10.00**	10.00	10.00
	Freelook Software Private Limited	**1306.45**	1306.45	1152.75
	-Joint Venture			
	Isgec Hitachi Zosen Limited	**5100.00**	5100.00	5100.00
	Isgec Titan Metal Fabricators Private Limited	**51.00**	51.00	-
	Isgec Foster Wheeler Boilers Private Limited	**102.00**	102.00	-
	Isgec Redecam Enviro Solutions Private Limited	**102.00**	-	-
	Total	**14,281.44**	14,179.44	13,832.74

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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 49 : Fair Value Measurement

Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset									
Investments									
-Investments in equity instruments	-	**249.47**	-	-	7.79	-	-	6.30	-
-Investments in debentures or bonds	-	**12,316.28**	-	-	7,041.05	-	-	1,433.13	-
-Investments in mutual funds	-	**51,793.63**	-	-	45,681.88	-	-	32,099.52	-
-Other investments	-	**4,486.28**	-	-	2,396.04	-	-	1,300.00	-
Trade receivables	**111,579.71**	-	-	138,806.26	-	-	91,348.95	-	-
Loans	**8,744.93**	-	-	1,220.13	-	-	862.91	-	-
Cash and cash equivalents	**2,611.25**	-	-	1,323.51	-	-	3,066.70	-	-
Bank Balances	**9,568.49**	-	-	27,640.50	-	-	34,068.12	-	-
Others	**4,083.90**	-	-	3,509.77	-	-	3,325.19	-	-
Total Financial Assets	**136,588.28**	**68,845.66**	-	172,500.17	55,126.76	-	132,671.87	34,838.95	-
Financial Liabilities									
Borrowings	**10,956.23**	-	-	29,651.00	-	-	23,841.29	-	-
Trade payables	**131,196.85**	-	-	134,653.83	-	-	104,187.06	-	-
Other Financial Liabilities	**4,759.98**	-	-	6,254.31	-	-	8,370.74	-	-
Total Financial Liabilities	**146,913.06**	-	-	170,559.14	-	-	136,399.09	-	-

*** FVTPL - Fair Value Through Profit and Loss**

 # FVTOCI - Fair Value Through Other Comprehensive Income

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining 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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted (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 April 1, 2015	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 and loss				
Investments				
-Investments in equity instruments	6.30	6.30	-	-
-Investments in debentures or bonds	1,433.13	-	1,433.13	-
-Investments in mutual funds	32,099.52	32,099.52	-	-
-Other investments	1,300.00	-	1,300.00	-
Total	34,838.95	32,105.82	2,733.13	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at April 1, 2015				
Financial Assets				
Loan to Employees	329.36	-	-	329.36
Security Deposit	599.79	-	-	599.79
	929.15	-	-	929.15
Financial Liabilities				
Borrowings	23,841.29	-	-	23,841.29
Trade payables	6.25	-	-	6.25
Other financial liabilities	208.49	-	-	208.49
	24,056.03	-	-	24,056.03

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2016	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 and loss				
Investments				
-Investments in equity instruments	7.79	7.79	-	-
-Investments in debentures or bonds	7,041.05	-	7,041.05	-
-Investments in mutual funds	45,681.88	45,681.88	-	-
-Other investments	2,396.04	-	2,396.04	-
Total	55,126.76	45,689.67	9,437.09	-
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2016				
Financial Assets				
Loan to Employees	402.55	-	-	402.55
Security Deposit	635.87	-	-	635.87
	1,038.42	-	-	1,038.42
Financial Liabilities				
Borrowings	29,651.00	-	-	29,651.00
Trade payables	6.25	-	-	6.25
Other financial liabilities	214.14	-	-	214.14
	29,871.39	-	-	29,871.39

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2017	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 and loss				
Investments				
-Investments in equity instruments	249.47	249.47	-	-
-Investments in debentures or bonds	12,316.28	-	12,316.28	-
-Investments in mutual funds	51,793.63	51,793.63	-	-
-Other investments	4,486.28	-	4,486.28	-
Total	68,845.66	52,043.10	16,802.56	-

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2017	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017				
Financial Assets				
Loan to Employees	415.13	-	-	415.13
Security Deposit	711.63	-	-	711.63
	1,126.76	-	-	1,126.76
Financial Liabilities				
Borrowings	10,956.23	-	-	10,956.23
Trade payables	-	-	-	-
Other financial liabilities	182.91	-	-	182.91
	11,139.14	-	-	11,139.14

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

> the use of quoted market prices or dealer quotes for similar financial instruments.

> the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value , due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing 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 the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 50 : FINANCIAL RISK MANAGEMENT

The Company'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 Company's operations. The Company's principal financial assets include investments in marketable securities, loans , trade and other receivables, cash and short-term deposits that arise directly from its operations.

The Company's activities are expose to **Market risk, Credit risk and Liquidity risk**.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

(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, 2017**	As at March 31, 2016	As at April 1, 2015
Variable rate borrowings	**3,456.23**	3,829.35	3,455.46
Fixed rate borrowings	**7,500.00**	27,466.45	23,735.92
Total	**10,956.23**	31,295.80	27,191.38

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

(₹ in lakhs)

Particulars	**As at March 31, 2017**			**As at March 31, 2016**		
	Weighted average interest rate (%)	**Balance**	**% of total borrowings**	**Weighted average interest rate (%)**	**Balance**	**% of total borrowings**
Loans repayable on demand (Cash Credit)	**11.00%**	**3,456.23**	**31.55%**	11.75%	3,829.35	12.24%
Net exposure to cash flow interest rate risk		**3,456.23**			3,829.35	

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(iii) Sensitivity

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

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
INR	**+50**	+50	**17.28**	19.15
	- 50	- 50	**-17.28**	-19.15

(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 obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk management policy approved by the Board.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

(₹ in lakhs)

Particulars	Against exposure in			
Foreign currency exposure as at March 31, 2017	**USD**	**Euro**	**Others**	**Total**
Trade Receivables	35,895.07	513.42	-	36,408.49
Loans and other advances	-	-	-	-
Bank balances in current accounts and term deposits accounts	998.63	3.95	1.41	1,003.99
Trade payables	2,749.33	369.46	-	3,118.79
Hedged Portion	38,731.45	758.15	1.41	39,491.01
Net Exposure to foreign currency risk	911.58	128.69	-	1,040.27
Foreign currency exposure as at March 31, 2016	**USD**	**Euro**	**Others**	**Total**
Trade Receivables	42,391.41	2,131.60	-	44,523.01
Loans and other advances	1,648.33	-	-	1,648.33
Bank balances in current accounts and term deposits accounts	-	-	-	-
Trade payables	222.91	801.00	1.39	1,025.30
Hedged Portion	41,975.44	2,264.50	-	44,239.94
Net Exposure to foreign currency risk	2,287.21	668.10	1.39	2,956.70

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Foreign currency sensitivity

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

(₹ in lakhs)

Particulars	2016-17		2015-16	
	1% increase	**1% decrease**	1% increase	1% decrease
USD	11.19	-11.19	19.36	-19.36
Euro	-0.86	0.86	5.87	-5.87
Others	0.01	-0.01	-0.01	0.01

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 sensivity is provided for the same.

II. Credit risk

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

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

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

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

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

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

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

The company's major exposure is from trade receivables, which are unsecured and 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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at April 1, 2015					
Gross Carrying Amount	43,029.06	28,499.64	18,541.76	2,387.86	92,458.32
Expected Credit Loss	-	-	925.02	184.35	1,109.37
Carrying Amount (net of impairment)	43,029.06	28,499.64	17,616.74	2,203.51	91,348.95
As at March 31, 2016					
Gross Carrying Amount	80,644.82	48,505.18	5,122.40	5,298.23	139,570.63
Expected Credit Loss	-	-	234.08	530.29	764.37
Carrying Amount (net of impairment)	80,644.82	48,505.18	4,888.32	4,767.94	138,806.26
As at March 31, 2017					
Gross Carrying Amount	75,736.54	28,082.75	2,479.09	5,977.59	112,275.97
Expected Credit Loss	-	-	127.61	568.65	696.26
Carrying Amount (net of impairment)	75,736.54	28,082.75	2,351.48	5,408.94	111,579.71

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

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

(₹ in lakhs)

Particulars	ECL for Trade Receivables
As at April 1, 2015	(9.47)
Provided during the year	-
Amounts written off	-
Reversal of provisions	345.00
As at March 31, 2016	(9.47)
Provided during the year	-
Amounts written off	-
Reversal of provisions	68.11
As at March 31, 2017	(36.96)

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

As at March 31, 2017	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	10,956.23	3,456.23	7,500.00	-	10,956.23
Trade payables	131,196.85	-	131,196.85	-	131,196.85
Other Liabilities	4,759.98	-	4,577.07	182.91	4,759.98
Total	**146,913.06**	**3,456.23**	**143,273.92**	**182.91**	**146,913.06**

(₹ in lakhs)

As at March 31, 2016	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	31,295.80	3,829.35	27,466.45	-	31,295.80
Trade payables	134,653.83	-	134,647.58	6.25	134,653.83
Other Liabilities	6,254.31	-	6,040.17	214.14	6,254.31
Total	**172,203.94**	**3,829.35**	**168,154.20**	**220.39**	**172,203.94**

(₹ in lakhs)

As at April 1, 2015	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	27,191.38	3,455.46	22,087.59	1,648.33	27,191.38
Trade payables	104,187.06	-	104,180.81	6.25	104,187.06
Other Liabilities	8,370.74	-	8,162.25	208.49	8,370.74
Total	**139,749.18**	**3,455.46**	**134,430.65**	**1,863.07**	**139,749.18**

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, 2017	As at March 31, 2016	As at April 1, 2015
Expiring within one year (Bank overdraft and other facilities)	21,043.77	9,849.00	9,058.86

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 51 : 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, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Debt	**10,956.23**	31,295.80	27,191.38
Less: Cash & cash equivalent	**2,611.25**	1,323.51	3,066.70
Net Debt	**8,344.98**	29,972.29	24,124.68
Total Equity	**112,550.24**	95,710.64	78,827.52
Total Equity and Net Debt	**120,895.22**	125,682.93	102,952.20
Net debt to equity plus debt ratio (Gearing Ratio)	7%	24%	23%

Notes:-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 20, 26 and 28.

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

	Recognized in the year ending	
	March 31, 2017	March 31, 2016
(i) Dividends Recognized		
Final dividend for the year ended March 31, 2016 of ₹ 10/- per equity share (March 31, 2015 ₹ 10/- per equity share)	**735.30**	735.30
Interim dividend for the year ended March 31, 2017 of ₹ 15/- per equity share (March 31, 2016 ₹ 10/- per equity share)	**1102.91**	735.30
(ii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended March 31, 2017 the directors have recommended the payment of a final dividend of ₹ 15 /- per equity share. (March 31, 2016- ₹ 10/- per equity share)	**1102.91**	735.30
* The proposed dividend is subject to the approval of shareholders in the ensuing general meeting		

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 52: Transition to Ind AS

These financial statements, for the year ended March 31,2017,are the first, the company has prepared in accordance with Ind AS. For the periods up to and including the year ended March 31 2016,the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies(Accounts) Rules,2014(Indian GAAP).

Accordingly, the company has prepared its financial statement to comply with the Ind AS for the year ending March 31, 2017, together with the comparative data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, Company's opening balance sheet was prepared as at April 1, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Note 52(A) : Exemptions and exceptions opted by the company on the date of transition :-

Ind AS 101 allows first-time adopters certain exemptions and exceptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions and exceptions:

a) Exemptions from retrospective application

Deemed Cost

Ind AS 101 permits first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .This exemption can also be used for intangible assets covered by Ind AS 38 intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

Investments in Subsidiaries, joint ventures and associates.

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures at deemed cost as on the date of transition to Ind AS.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

b) Exceptions from retrospective application

i) Classification and measurement of financial assets :-

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

ii) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Impairment of financial assets based on expected credit loss model;

(ii) Investment in equity instruments carried at FVTPL;

(iii) Investment in debt instruments carried at FVTPL.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 52(B) : Reconciliation between balance sheet and statement of profit and loss prepared under previous IGAAP and those presented under Ind AS

(a) Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015

(₹ in lakhs)

	Particulars	Notes to first time adoption	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
	ASSETS				
(1)	**Non - current assets**				
	(a) Property, plant and equipment		35,012.93	-	35,012.93
	(b) Capital work - in - progress		1,034.83	-	1,034.83
	(c) Other intangible assets		4,931.04	-	4,931.04
	d) Financial assets				
	(i) Investments		13,832.74	-	13,832.74
	(ii) Loans		329.36	-	329.36
	iii) Others	11	625.72	(25.93)	599.79
	(e) Other non - current assets		84.19	-	84.19
	Sub total (Non-Current Assets)		55,850.81	(25.93)	55,824.88
(2)	**Current assets**				
	(a) Inventories		40,427.04	-	40,427.04
	(b) Financial assets				
	(i) Investments	1	33,881.96	956.99	34,838.95
	(ii) Trade receivables	5	92,656.77	(1,307.82)	91,348.95
	iii) Cash and cash equivalents		3,066.70	-	3,066.70
	(iv) Other Bank Balances		34,068.12	-	34,068.12
	(v) Loans		533.55	-	533.55
	(vi) Others		1,918.86	806.54	2,725.40
	(c) Other current assets	11	22,443.54	22.73	22,466.27
	Sub total (Current Assets)		228,996.54	478.44	229,474.98
	Total assets		284,847.35	452.51	285,299.86
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		735.29	-	735.29
	(b) Other equity		76,240.77	1,851.46	78,092.23
	Sub total (Equity)		76,976.06	1,851.46	78,827.52
	LIABILITIES				
(1)	**Non - current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings		1,648.33	-	1,648.33
	(ii) Trade payables		6.25	-	6.25
	iii) Other financial liabilities excl. provisions		208.49	-	208.49
	(b) Provisions	9	13,965.90	(1,359.53)	12,606.37
	(c) Deferred tax liabilities (net)	3	1,156.12	57.02	1,213.14
	d) Other non - current liabilities		13,810.95	-	13,810.95
	Sub total (Non-Current liabilities)		30,796.04	(1,302.51)	29,493.53
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings		22,192.96	-	22,192.96
	(ii) Trade payables		104,180.81	-	104,180.81
	(iii) Other financial liabilities excl. provisions	8	8,180.30	(18.05)	8,162.25
	(b) Other current liabilities		34,686.00	806.60	35,492.60
	(c) Provisions	7	6,766.79	(884.99)	5,881.80
	d) Current tax liabilities (net)		1,068.39	-	1,068.39
	Sub total (Current liabilities)		177,075.25	(96.44)	176,978.81
	Total Equity & Liabilities		284,847.35	452.51	285,299.86

The previous GAAP figures have been reclassified to confirm the Ind AS presentation for the purpose of this note.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(b) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016

(₹ in lakhs)

	Particulars	Notes to first time adoption	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
	ASSETS				
(1)	**Non - current assets**				
	(a) Property, plant and equipment		41,326.53	-	41,326.53
	(b) Capital work - in - progress		1,034.76	-	1,034.76
	(c) Other intangible assets		4,686.17	-	4,686.17
	d) Financial assets				
	(i) Investments		14,179.44	-	14,179.44
	(ii) Loans		402.55	-	402.55
	iii) Others	11	760.56	(25.69)	734.87
	(e) Other non - current assets		572.72	-	572.72
	Sub total (Non-Current Assets)		62,962.73	(25.69)	62,937.04
(2)	**Current assets**				
	(a) Inventories		30,319.06	-	30,319.06
	(b) Financial assets				
	(i) Investments	1	52,928.11	2,198.65	55,126.76
	(ii) Trade receivables	5	139,768.00	(961.74)	138,806.26
	iii) Cash and cash equivalents		1,323.51	-	1,323.51
	(iv) Bank balances		27,640.50	-	27,640.50
	(v) Loans		817.58	-	817.58
	(vi) Others		1,480.44	1,294.46	2,774.90
	(c) Other current assets		20,903.84	(0.53)	20,903.31
	Sub total (Current Assets)		275,181.04	2,530.84	277,711.88
	Total assets		338,143.77	2,505.15	340,648.92
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		735.29	-	735.29
	(b) Other equity		91,870.13	3,105.22	94,975.35
	Sub total (Equity)		92,605.42	3,105.22	95,710.64
	LIABILITIES				
(1)	**Non - current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings		-	-	-
	(ii) Trade payables		6.25	-	6.25
	iii) Other financial liabilities excl. provisions		214.14	-	214.14
	(b) Provisions	9	12,103.96	(1,063.55)	11,040.41
	(c) Deferred tax liabilities (net)	3	625.93	55.88	681.81
	d) Other non - current liabilities	12	15,317.44	24.78	15,342.22
	Sub total (Non-Current liabilities)		28,267.72	(982.89)	27,284.83
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings		29,651.00	-	29,651.00
	(ii) Trade payables		134,647.58	-	134,647.58
	(iii) Other financial liabilities excl. provisions	8	6,043.71	(3.54)	6,040.17
	(b) Other current liabilities		35,054.15	1,271.34	36,325.49
	(c) Provisions	7	10,908.82	(884.98)	10,023.84
	d) Current tax liabilities (net)		965.37	-	965.37
	Sub total (Current liabilities)		217,270.63	382.82	217,653.45
	Total Equity & Liabilities		338,143.77	2,505.15	340,648.92

The previous GAAP figures have been reclassified to confirm the Ind AS presentation for the purpose of this note.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(c) Reconciliation to statement of profit and loss as previously reported as on March 31, 2016 under IGAAP to Ind AS

(₹ in lakhs)

	Particulars	Notes to first time adoption	IGAAP Year ended March 31,2016	Ind AS Adjustments	Ind AS Year ended March 31,2016
I	Revenue from operations	4	387,878.82	7,619.80	395,498.62
II	Other income	1 & 11	4,873.18	1,225.74	6,098.92
III	**Total income (I + II)**		392,752.00	8,845.54	401,597.54
IV	Expenses				
	Cost of materials consumed		43,868.16	-	43,868.16
	Purchases of goods for resale	11	192,351.82	295.98	192,647.80
	Erection & Civil Cost		28,950.94	-	28,950.94
	Changes in inventories of finished goods, stock - in - trade and work - in - progress		7,556.93	-	7,556.93
	Employee benefits expenses	2	25,315.54	(518.79)	24,796.75
	Finance costs	8	1,967.74	14.54	1,982.28
	Depreciation and amortization expenses		6,430.08	-	6,430.08
	Other expenses	1,4,5,11 & 12	59,798.35	7,282.39	67,080.74
	Total expenses (IV)		366,239.56	7,074.12	373,313.68
V	Profit / (loss) before exceptional items and tax (III - IV)		26,512.44	1,771.42	28,283.86
VI	Exceptional items		-	-	-
VII	Profit / (loss) before tax (V - VI)		26,512.44	1,771.42	28,283.86
VIII	Tax expense				
	(1) Current tax		9,643.31	-	9,643.31
	(2) Deferred tax	3	(530.19)	178.41	(351.78)
			9,113.12	178.41	9,291.53
IX	Profit / (loss) for the period (VII - VIII)		17,399.32	1,593.01	18,992.33
X	Other comprehensive income				
	A Items that will not be reclassified to profit or loss				
	(i) Remeasurements gain/losses on the defined benefit plans	2	-	(518.78)	(518.78)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2	-	179.55	179.55
XI	Total comprehensive income for the period (IX + X)		17,399.32	1,253.78	18,653.10

The previous GAAP figures have been reclassified to confirm the Ind AS presentation for the purpose of this note.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

(d) Reconciliation of total equity as at March 31, 2016 & April 1, 2015

(₹ in lakhs)

Particulars	Notes to first time adoption	As at March 31, 2016	As at April 1, 2015
Total equity as per Previous GAAP		**92,605.42**	**76,976.06**
Adjustments :			
Gain/(Loss) on fair Valuation of investment	1	2,198.59	956.93
Provision for expected credit loss	5	(754.90)	(1,099.90)
Impact of measuring derivative financial instruments at fair value	10	(206.84)	(207.93)
Discounting/Unwinding of long term warranty provisions	9	1,063.54	1,359.53
Tax effects of adjustments	3	(55.88)	(57.02)
Derecognisation of provision for proposed dividend including dividend distribution tax	7	884.99	884.99
Others	8, 11, 12	(24.28)	14.86
Total Adjustments		**3,105.22**	**1,851.46**
Total Equity as per Ind AS		**95,710.64**	**78,827.52**

(e) Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in lakhs)

Particulars	Notes to first time adoption	Year Ended March 31, 2016
Profit after tax as per previous GAAP		**17,399.32**
Adjustments :		
Impact of measuring derivative financial instruments at fair value	12	1.09
Gain/(Loss) on fair Valuation of investment	1	1,241.65
Discounting/Unwinding of long term warranty provisions	9	(295.98)
Provision for expected credit loss	5	345.00
Reclassification of actuarial gain/loss on employee defined benefit plan recognised in other comprehensive income	2	518.78
TAX effects of adjustments		(178.40)
Others	8, 11, 12	(39.13)
Total Adjustments		**1,593.01**
Profit after tax as per Ind AS		**18,992.33**
Other Comprehensive income		**(339.23)**
Total Comprehensive income as per Ind AS		**18,653.10**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Notes to the first time of adoption to Ind AS

1) Fair Value of Investments

Under Indian GAAP current investments are measured at the lower of cost or market price and non-current investments are measured at cost less any permanent diminution in value of investment.

Under Ind AS investments are designated as Fair Value through Other Comprehensive Income (FVOCI), Fair Value through Profit and Loss (FVTPL) and carried at amortised cost. For investment designated as FVOCI, difference between the fair value and carrying value is recognised in Other Comprehensive Income (OCI). For investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit and loss. For investment designated at amortised cost, accrual of interest is recognised in profit and loss with which value of investment will be equal to maturity date contractual cash flows which includes solely payments of interest and principal.

Accordingly, net profit of ₹ 2198.64 lakhs for fair valuation of investment designated as FVTPL booked in Ind AS.

2) Defined benefit liabilities

Under Indian GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

3) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

4) Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is presented as a part of other expenses in statement of profit and loss. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.

5) Trade receivables

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Due to ECL model, the company impaired its trade receivable which has been eliminated against retained earnings. The impact of amount for the year ended on March 31, 2016 has been recognized in the statement of profit and loss.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

7) Dividend

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for the year ended on March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 1, 2015. The proposed dividend for the year ended on March 31, 2016 recognized under Indian GAAP was reduced with a corresponding impact in the retained earnings.

8) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to statement of profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to statement of profit or loss using the effective interest method.

9) Provisions

Under Indian GAAP, the company has accounted for provisions, including long-term provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as interest expense in P&L A/c. This led to a decrease in provision on the date of transition and which was adjusted against retained earnings.

10) Derivative instruments

The fair value of forward foreign exchange contracts is recognised under Ind AS, and was not recognised under Indian GAAP. The contracts, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instrument in fair value hedges of either expected future sales for which the group has firm commitments or expected purchases from suppliers that are highly probable. The corresponding adjustment has been recognised as a separate component in the hedge reserve. On the date of transition, cash flow hedge reserve was debited on April 1, 2015 and net movement (net of tax) during the year ended March 31, 2016 was recognized in OCI and subsequently taken to cash flow reserve.

11) Security Deposits

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS all financial Assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased as at the date of transition to Ind AS with corresponding increase in prepaid rent.

12) Lease Equalisation Expense

Under Ind AS expense incurred in relation to operating lease has to be charged to P&L A/c on a straight line basis over the period of lease. Accordingly, all payments to be made in future in respect of operating lease for all the lease agreements have been calculated and charged to P&L A/c on a straight line basis.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 53 : Revenue expenditure on Research & Development

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Salaries & wages	**79.44**	60.17	-
Contribution to Provident & other Funds	**4.22**	12.68	-
Others	**13.19**	3.20	-
Total	**96.85**	76.05	-

Note 54 : 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 Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana		
c)	**Filing of Cost Audit Report**	**Year ended March 31, 2017**	Year ended March 31, 2016	Year ended April 1, 2015
	i) Due Date of Filing of Cost Audit Report	**27.09.2017**	27.09.2016	30.09.2015
	ii) Actual Date of Filing Cost Audit Report	**Not Yet Due**	24.09.2016	29.09.2015

Note 55 : Details of Specified Bank Notes ("SBNs") held and transacted during the period from 08th November 2016 to 30th December 2016 as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 provided in the table below:

(₹ in lakhs)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	**30.49**	**4.91**	**35.40**
Add: Permitted Receipts	-	52.22	52.22
Less: Permitted Payments	1.74	33.86	35.60
Less: Amount Deposited in Banks	28.75	-	28.75
Closing Cash in Hand as on 30.12.2016	**-**	**23.27**	**23.27**

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2017

Note 56 : Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt these standards when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Amendment to Ind AS 7:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The amendment is applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Note 57 : Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal
Partner
M.No.095960

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

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : 29th May, 2017

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

Report on the Consolidated Financial Statements

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 (the Holding Company and its subsidiaries together referred to as "**the Group**") , comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "**the consolidated Ind AS financial statements**").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Ind AS Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the holding company's board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 (financial position) of the Group, as at March 31, 2017, and their consolidated profit/loss (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of ₹ 2020.46 lakhs as at March 31, 2017, the total revenue of ₹ 228.58 lakhs and net cash flows of ₹ 211.16 lakhs for the year ended March 31, 2017. The Financial Statements of 6 subsidiaries have been audited by other auditors, the reports of which have been furnished to us, and our opinion on the financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors and we have audited the financial statements of 3 subsidiaries.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section143 (3) of the Act, 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 purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under section 133 of the act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer note no 42 to the consolidated financial statement.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended Match 31, 2017.

iv. In our opinion the Holding Company and its subsidiary which is a company incorporated in India has provided requisite disclosure in its Consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and on the basis of information & explanation provided these are in accordance with the books of accounts maintained by the company. Refer Note 54 to the Consolidated Ind AS financial statements.

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

Neeraj Bansal
Partner
Membership No. 95960

Place: Noida
Date: May 29, 2017

Annexure A to the Independent Auditor's Report to the members of Isgec Heavy Engineering Limited (HoldingCompany) dated May 29, 2017 on its Consolidated Financial Statements

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section of our report referred above

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company, and its subsidiaries for the year ended March 31, 2017, 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 (collectively referred as 'Group'), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the 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 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 (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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the 6 subsidiaries not audited by us, is based on the corresponding report of the respective auditors of the subsidiaries incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Neeraj Bansal
Partner
Membership No. 95960

Place: Noida
Date: May 29, 2017

CONSOLIDATED BALANCE SHEET as at March 31, 2017

(₹ in lakhs)

Particulars				Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	ASSETS						
(1)	**Non - current assets**						
	(a)	Property, plant and equipment		4	**57,855.89**	56,270.27	49,912.33
	(b)	Capital work - in - progress			**1,782.69**	1,034.76	1,431.10
	(c)	Goodwill on Consolidation			**530.07**	530.07	530.07
	(d)	Other intangible assets		5	**3,885.59**	4,720.30	4,973.02
	(e)	Intangible assets under Development			**127.93**	-	-
	(f)	Financial assets					
		(i)	Investments	6	**825.97**	323.10	196.43
		(ii)	Trade receivables	7	**97.41**	112.18	112.18
		(iii)	Loans	8	**472.18**	456.45	362.15
		(iv)	Others	9	**1,003.86**	912.05	674.68
	(g)	Deferred tax assets		10	**863.12**	1,975.08	1,657.14
	(h)	Other non - current assets		11	**149.84**	665.57	160.09
			Sub total (Non-current assets)		**67,594.55**	66,999.83	60,009.19
(2)	**Current assets**						
	(a)	Inventories		12	**107,575.22**	89,539.43	83,978.33
	(b)	Financial assets					
		(i)	Investments	13	**68,845.65**	55,126.76	35,495.73
		(ii)	Trade receivables	14	**117,805.72**	143,008.27	102,484.68
		(iii)	Cash and cash equivalents	15	**3,569.93**	1,731.52	3,349.50
		(iv)	Bank Balances other than (iii) above	16	**10,602.75**	29,309.67	34,844.09
		(v)	Loans	17	**1,134.99**	945.06	592.21
		vi)	Others	18	**3,888.17**	2,941.00	3,021.56
	(c)	Current tax assets (net)		19	**2.59**	6.16	1.58
	(d)	Other current assets		20	**31,215.86**	23,448.35	26,170.50
			Sub total (Current assets)		**344,640.88**	346,056.22	289,938.18
			Total Assets		**412,235.43**	413,056.05	349,947.37
	EQUITY AND LIABILITIES						
	EQUITY						
	(a)	Equity share capital		21	**735.29**	735.29	735.29
	(b)	Other equity		22	**124,628.90**	102,147.73	85,659.19
	Equity attributable to owners of Parent				**125,364.19**	102,883.02	86,394.48
	Non Controlling Interest				**6,050.62**	5,332.28	4,629.78
			Sub total (Equity)		**131,414.81**	108,215.30	91,024.26
	LIABILITIES						
(1)	**Non - current liabilities**						
	(a)	Financial liabilities					
		(i)	Borrowings	23	**3,701.10**	8,787.12	7,399.71
		(ii)	Trade payables	24	**-**	6.25	6.25
		(iii)	Other financial liabilities excl. provisions	25	**418.21**	440.32	234.48
	(b)	Provisions		26	**7,151.75**	11,321.22	12,957.53
	(c)	Deferred tax liabilities		10	**1,226.47**	681.81	1,213.14
	(d)	Other non - current liabilities		27	**14,912.27**	15,346.64	13,816.94
			Sub total (Non-current liabilities)		**27,409.80**	36,583.36	35,628.05
(2)	**Current liabilities**						
	(a)	Financial liabilities					
		(i)	Borrowings	28	**29,978.81**	53,382.36	41,228.26
		(ii)	Trade payables	29	**141,665.97**	142,374.21	121,019.42
		(iii)	Other financial liabilities excl. provisions	30	**9,705.95**	9,806.51	10,705.90
	(b)	Other current liabilities		31	**56,926.06**	51,063.17	42,966.27
	(c)	Provisions		32	**14,731.40**	10,417.73	6,144.33
	(d)	Current tax liabilities (net)		19	**402.63**	1,213.41	1,230.88
			Sub total (Current liabilities)		**253,410.82**	268,257.39	223,295.06
			Total Equity & Liabilities		**412,235.43**	413,056.05	349,947.37

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

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal
Partner
M.No.095960

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

Aditya Puri
Managing Director
DIN: 00052534

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2017

Statement of Consolidated Profit and Loss for the year ended March 31, 2017

(₹ in lakhs)

Particulars		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I.	**Revenue from Operations**	33	**405,589.08**	462,960.39
II.	**Other Income**	34	**9,362.11**	7,659.26
III.	**Total income (I + II)**		**414,951.19**	470,619.65
IV.	**Expenses:**			
	Cost of materials consumed	35	**106,379.88**	104,224.16
	Purchase of Goods for Resale		**117,874.55**	192,647.80
	Erection and Civil Cost		**37,811.36**	29,205.52
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	36	**(9,882.73)**	(8,398.49)
	Employee benefits expenses	37	**32,725.11**	30,318.77
	Finance costs	38	**4,312.04**	5,352.51
	Depreciation and amortization expenses	39	**7,528.61**	7,568.91
	Other expenses	40	**81,510.54**	81,323.29
	Total expenses (IV)		**378,259.36**	442,242.47
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**36,691.83**	28,377.18
VI	**Exceptional items**		**-**	-
VII	**Profit / (loss) before tax (V - VI)**		**36,691.83**	28,377.18
VIII	**Tax expense**	41		
	(1) Current tax		**10,183.42**	10,004.08
	(2) Deferred tax		**2,084.09**	(333.87)
	(3) MAT Credit Entitlement		**(409.42)**	(338.38)
			11,858.09	9,331.83
IX	**Profit / (loss) for the period (VII -VIII)**		**24,833.74**	19,045.35
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of Post Employment Benefits Obligations		**(56.25)**	(510.61)
	b) Equity Instruments through Other Comprehensive Income		**502.84**	126.67
	c) Income tax relating to items that will not be reclassified to profit or loss		**18.18**	177.03
	B (i) Items that will be reclassified to profit or loss			
	a) Change in fair value of cross currency interest rate swap		**(39.34)**	55.29
	b) Reclassified to profit or loss		**55.02**	(79.72)
			480.45	(231.34)
XI	**Total comprehensive income for the period (IX + X)**		**25,314.19**	18,814.01
	Profit for the year		**24,833.74**	19,045.35
	Attributable to:			
	Owners of the Parent		**24,209.33**	18,473.93
	Non-controlling interests		**624.41**	571.42
	Other Comprehensive income for the year			
	Attributable to:			
	Owners of the Parent		**484.51**	(215.41)
	Non-controlling interests		**(4.06)**	(15.93)
	Total comprehensive income for the year:		**25,314.19**	18,814.01
	Attributable to:			
	Owners of the Parent		**24,693.84**	18,258.52
	Non-controlling interests		**620.35**	555.49
XII	**Earnings per equity share for Profit attributable to Owners of the Parent**	43		
	Basic & Diluted		**329.25**	251.25

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

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

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Managing Director
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Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2017

Consolidated Cash Flow Statement for the year ended March 31, 2017

(₹ in lakhs)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
A	**Operating Activities**		
	Profit before tax for the period	36,691.83	28,377.18
	Profit before tax	**36,691.83**	**28,377.18**
	Adjustments to reconcile profit before tax to net cash flows :		
	Depreciation and amortization expenses	7,528.65	7,568.96
	(Profit)/Loss on diminution in value of stores and investments	6.32	20.85
	(Gain) / Loss on disposal of property, plant and equipment	(39.03)	6.99
	(Gain) / Loss on sale of financial instruments	(3,813.42)	(1,875.84)
	Fair valuation of investments	(1,349.26)	(1,218.89)
	Income from Investment - Dividends	(2.08)	(0.15)
	Provision for expected credit losses	(94.62)	(345.00)
	Bad debts written off	1.47	343.50
	Liability no longer required written back	(1,318.34)	(819.58)
	Interest income	(3,178.07)	(3,668.18)
	Finance costs	4,312.04	5,352.51
	Provision for warranty	540.52	295.98
	Preliminary expenses written off	-	4.01
	Cash flow before working capital adjustments	**39,286.01**	**34,042.34**
	Working capital adjustments		
	(Increase)/Decrease in trade receivables	25,217.32	(40,523.59)
	(Increase)/Decrease in current financial assets	(8,726.26)	1,526.70
	(Increase)/Decrease in inventories	(18,042.11)	(5,581.95)
	Increase/(Decrease) in financial liabilities	7,903.33	30,147.55
	Increase/(Decrease) in provision /other payables	(396.32)	2,341.11
	Cash flow after working capital requirements	**45,241.97**	**21,952.16**
	Taxes (Paid) / Received (Net of TDS)	(10,994.20)	(9,683.16)
	Net cash from Operating activities	**34,247.77**	**12,269.00**
B	**Investing activities**		
	Proceeds from sale of property, plant and equipment	143.33	181.80
	Purchase of property, plant and equipment	(8,902.92)	(12,753.02)
	Purchase of Intangible assets	(356.20)	(713.28)
	Purchase of financial instruments	(8,555.50)	(16,662.97)
	Proceeds from sale of financial instruments	(91.81)	(237.37)
	Interest received	3,518.97	3,986.98
	Dividend received	2.08	0.15
	Acquisition of a subsidiary, net of cash required	98.00	147.00
	Net cash flow from / (used in) investing activities	**(14,144.05)**	**(26,050.71)**

(₹ in lakhs)

C	**Financing activities**		
	Dividend paid	(1,817.75)	(1,464.24)
	Dividend tax paid	(374.44)	(299.37)
	Interest paid	(4,208.61)	(5,296.61)
	Proceeds/ Repayment from borrowings	(30,571.43)	13,689.53
	Net cash flow from / (used in) financing activities	**(36,972.23)**	**6,629.31**
	Net increase in cash and cash equivalents	(16,868.51)	(7,152.40)
	Cash and cash equivalents as at April 1	31,041.19	38,193.59
	Cash and cash equivalents as at March 31	14,172.68	31,041.19
	Components of cash and cash equivalents		
	Cash, Cheques & Drafts (in hand) and Remittances in transit	39.64	108.70
	In Current accounts	3,217.46	1,622.82
	In Fixed Deposits accounts	9,948.08	27,827.43
	In Fixed Deposit under lien held as margin money	832.56	1367.79
	Earmarked - Unpaid dividend accounts	134.94	114.45
	Cash and cash equivalents	**14,172.68**	**31,041.19**

Notes :

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

2 Figures in brackets indicate cash outgo.

3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

Kishore Chatnani
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal
Partner
M.No.095960

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

Aditya Puri
Managing Director
DIN: 00052534

Place : Noida
Dated : May 29, 2017

Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Statement of Changes in Equity in the Consolidated Financial Statements for the year ended March 31, 2017

A. Equity Share Capital

(₹ in lakhs)

As at April 1, 2015	Changes during the year	As at March 31, 2016	Changes during the year	As at March 31, 2017
735.29	-	735.29	-	735.29

B. Other equity

(₹ in lakhs)

Particulars	Attributable to Owners of the Parent								Attributable to Non Controlling Interest	
	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Total Other Equity	Non Controlling Interest	Total
	Capital reserve	Securities premium account	Capital redemption reserve	General reserve	Retained earnings					
Restated balance as at April 1, 2015	0.01	450.22	3.24	18,816.93	66,388.79	-	-	**85,659.19**	4,629.78	**90,288.97**
Capital contribution by non controlling shareholders	-	-	-	-	-	-	-	**-**	147.01	**147.01**
Profit for the period	-	-	-	-	18,473.93	-	-	**18,473.93**	571.42	**19,045.35**
Other comprehensive income for the year	-	-	-	-	(329.63)	126.67	(12.45)	**(215.41)**	(15.93)	**(231.34)**
Total comprehensive income for the year	-	-	-	-	18,144.30	126.67	(12.45)	**18,258.52**	702.50	**18,961.02**
"Dividend Paid for the year ended March 31, 2015 (including dividend distribution tax)"	-	-	-	-	(884.99)	-	-	**(884.99)**	-	**(884.99)**
"Interim Dividend Paid (including dividend distribution tax)"	-	-	-	-	(884.99)	-	-	**(884.99)**	-	**(884.99)**
As at March 31, 2016	0.01	450.22	3.24	18,816.93	82,763.11	126.67	(12.45)	**102,147.73**	5,332.28	**107,480.01**
Capital contribution by non controlling shareholders	-	-	-	-	-	-	-	**-**	97.99	**97.99**
Profit for the period	-	-	-	-	24,209.33	-	-	**24,209.33**	624.41	**24,833.74**
Other comprehensive income for the year	-	-	-	-	(26.32)	502.84	7.99	**484.51**	(4.06)	**480.45**
Total comprehensive income for the year	-	-	-	-	24,183.01	502.84	7.99	**24,693.84**	718.34	**25,412.18**
Dividend paid	-	-	-	-	(1,838.23)	-	-	**(1,838.23)**	-	**(1,838.23)**
Dividend distribution tax	-	-	-	-	(374.44)	-	-	**(374.44)**	-	**(374.44)**
As at March 31, 2017	0.01	450.22	3.24	18,816.93	104,733.45	629.51	(4.46)	**124,628.90**	6,050.62	**130,679.52**

As per our report of even date.

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

Sanjay Kumar
Deputy General Manager(Accounts)

J.K. Chowdhery
Senior Vice President Internal Audit

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Vinod Kumar Nagpal
Director
DIN: 00147777

Sidharth Prasad
Director
DIN: 00074194

Place : Noida
Dated : May 29, 2017

1. Overview

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

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

Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2016, has adopted Indian Accounting Standards (the ‘Ind AS’) notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016. For all periods up to and including the year ended 31st March 2016, the Company had prepared its Consolidated financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as ‘Indian GAAP’).

These Consolidated financial statements are the Company’s first Ind AS Consolidated financial statements. The Company has adopted all the Ind AS standards and the adoptions was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Previous period numbers in the financial statements have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 51. The details of the first time adoption exemptions availed by the Company is given in Note 51 & 51A.

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 Consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

These Consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments & Provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2017. Control is achieved when the group 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 Group controls an investee if and only if the Group 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 group 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 Group obtains control over the subsidiary and ceases when the Group 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 group gains control until the date the Group ceases to control the subsidiary.

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

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

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the parent of the Group 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.

Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows to the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary 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 parent's investment in each subsidiary and the parent'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 intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup 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 intragroup transactions.

3. Summary of Significant Accounting Policies

3.1 Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2014. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment (please refer note 51). The same first time adoption exemption is also used for associates and joint ventures.

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.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an Indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.2 Use of Estimates

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

3.3 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

3.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of products

Revenue from the sale of products is recognized on dispatch of goods from the factory/ other locations, when all the significant risk and rewards of ownership of the goods have passed to the buyer, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of goods.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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

Rendering of Services

Revenue in case of erection and commissioning jobs carried out is recognized by reference to the stage of completion as per the terms of related agreement/job orders. Percentage of completion method requires the

Company to estimate the services performed to date as a proportion of the total services to be performed for each contract.

Other Income

(i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

(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.

Dividend

Dividends are recognised in profit or loss only when:

(i) the company's right to receive payment of the dividend is established;

(ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and

(iii) The amount of dividend can be measured reliably.

3.5 Inventories

Raw materials, Stores & Spares: are valued at lower of weighted average cost or net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost. 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 or net realizable value. Cost includes cost of direct materials and applicable direct manufacturing and administrative overheads. Value of finished stock is inclusive of excise duty.

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

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.

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

3.6 Property, Plant & Equipment

Transition to Ind AS

The Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2015, measured as per the previous GAAP and used that as its deemed cost as at the transition date, refer note no.52A.

Recognition

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

Cost includes its purchase price (net of CENVAT / duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

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

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

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

De-recognition

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

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

3.7 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 entity; 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 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.

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

On the date of transition to Ind AS, existing carrying value as per previous GAAP has been adopted as deemed cost.

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.

3.8 Depreciation and Amortization

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

Assets costing not more than Rs.5000 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.

3.9 Impairment of Non-Financial Assets

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

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

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

3.10 Employee Benefits

(i) Provident Fund

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

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

(iii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an Independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

(iv) 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.

(v) Superannuation Benefit

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

(vi) Other Short Term Benefits

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

3.11 Leases

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

For arrangements entered into prior to 1 April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under Leases, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease.

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

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

Where the Company is the lessor

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

3.12 Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3.13 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

3.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

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

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

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities and assets are not recognized but are disclosed in notes.

3.15 Earning 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).

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

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

Subsequent measurement

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

A. Non-derivative financial instruments

(i) Debt instrument carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B. Derivative financial instruments

(i) Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

3.17 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.

3.18 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. All investments are carried at fair value except Investment in subsidiaries, associates and joint ventures which are carried at cost in the financial statements.

3.19 Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

3.20 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.

3.21 Foreign currencies

i. Initial recognition

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

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

iii. Exchange differences:

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions

3.22 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 Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 4: Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Free Hold)	Land (Lease-Hold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Gross carrying value								
As at April 1, 2015	5,624.82	3,407.98	20,865.40	60,032.18	1,195.03	1,978.15	4,227.74	97,331.30
Additions	6,856.54	113.94	1,916.76	3,256.95	203.81	222.31	579.05	13,149.36
Disposals	-	-	17.18	342.37	18.85	188.43	151.82	718.65
As at March 31, 2016	12,481.36	3,521.92	22,764.98	62,946.76	1,379.99	2,012.03	4,654.97	109,762.01
Additions	-	-	909.20	6,267.25	45.03	319.44	614.07	8,154.99
Disposals	-	-	1.08	415.00	7.83	220.08	103.82	747.81
As at March 31, 2017	**12,481.36**	**3,521.92**	**23,673.10**	**68,799.01**	**1,417.19**	**2,111.39**	**5,165.22**	**117,169.18**
Accumulated depreciation								
As at April 1, 2015	-	569.68	8,495.17	32,905.50	868.14	1,342.10	3,238.38	47,418.97
Charge for the year	-	72.97	1,152.53	4,500.09	134.33	237.25	505.78	6,602.95
Disposals	-	-	5.67	215.54	17.22	145.40	146.34	530.17
As at March 31, 2016	-	642.65	9,642.05	37,190.04	985.25	1,433.94	3,597.81	53,491.74
Charge for the year	-	72.94	1,209.38	4,269.33	105.96	231.70	576.33	6,465.64
Disposals	-	-	0.95	350.20	7.56	187.44	97.94	644.09
As at March 31, 2017	**-**	**715.59**	**10,850.48**	**41,109.18**	**1,083.64**	**1,478.20**	**4,076.20**	**59,313.29**
Net carrying value								
As at April 1, 2015	5,624.82	2,838.30	12,370.23	27,126.68	326.89	636.05	989.36	49,912.33
As at March 31, 2016	12,481.36	2,879.27	13,122.93	25,756.71	394.74	578.09	1,057.17	56,270.27
As at March 31, 2017	**12,481.36**	**2,806.33**	**12,822.62**	**27,690.43**	**333.55**	**633.19**	**1,089.02**	**57,855.89**

Notes:

(i) Contractual commitment towards purchase of property, plant and equipment, refer note - 43.

(ii) Opening balances of gross block and accumulated depreciation have been regrouped / reclassified / rearranged wherever considered necessary.

(iii) For assets charged as security, please refer note - 23.

(iv) Borrowing cost capitalized during the period is nil.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 5 : Other intangible assets

(₹ in lakhs)

Particulars	Software	Tech. know how	Total
Gross carrying value			
As at April 1, 2015	2,071.61	6,582.77	8,654.38
Additions	713.28	-	713.28
Disposals	-	-	-
As at March 31, 2016	2,784.89	6,582.77	9,367.66
Additions	228.27	-	228.27
Disposals	-	-	-
As at March 31, 2017	**3,013.16**	**6,582.77**	**9,595.93**
Accumulated depreciation			
As at April 1, 2015	1,128.58	2,552.78	3,681.36
Charge for the year	319.48	646.53	966.01
Disposals	-	-	-
As at March 31, 2016	1,448.06	3,199.31	4,647.37
Charge for the year	416.00	646.53	1,062.97
Disposals	-	-	-
As at March 31, 2017	**1,864.50**	**3,845.84**	**5,710.34**
Net carrying value			
As at April 1, 2015	943.03	4,030.00	4,973.02
As at March 31, 2016	1,336.83	3,383.47	4,720.30
As at March 31, 2017	**1,148.66**	**2,736.93**	**3,885.59**

Notes:

1. Cost of software includes purchase price, duties & taxes (other than refundable from tax authorities).
2. Useful life of additions under software is 5 years and for technical Know How is 10 years.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 6: Non-Current Financial Assets - Investments

(₹ in lakhs)

Particulars	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	Number	**Amount**	Number	Amount	Number	Amount
Investments in equity instruments						
(a) Other Companies (quoted)						
DCM Shriram Industries Limited (Face value of ₹ 10 each)	**265,000**	**825.34**	265,000	322.50	265,000	195.83
(b) Investments in government or trust securities (Unquoted)						
Post Office Saving Account	**-**	**0.60**	-	0.60	-	0.60
(c) Others						
SVC Co-operative Bank (Face value of ₹ 10 each)	**25**	**0.03**	-	-	-	-
Total investments		**825.97**		323.10		196.43

i) Aggregate Value of Investments:

Aggregate Acquisition Cost of Quoted Investments:	**304.75**	304.75	304.75
Aggregate Market Value of Quoted Investments:	**825.34**	322.50	195.83
Aggregate Book Value of Unquoted Investments:	**0.63**	0.60	0.60

ii) Investment in Post Office Saving Account have been pledged as security with Cane Commissioner Haryana.

Note 7: Non-Current Financial Assets - Trade receivables

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	**108.23**	124.64	124.64
Less: allowance for credit losses	**10.82**	12.46	12.46
Total	**97.41**	112.18	112.18

Note 8: Non-Current Financial Assets -Loans

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Loans to employees			
- Secured, considered good (refer note 8.1)	**360.01**	262.51	240.53
- Unsecured, considered good	**112.17**	193.94	121.62
Total	**472.18**	456.45	362.15

Note 8.1 : Loans to employees are secured by way of hypothecation of Vehicles.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 9: Non-Current financial assets-others

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good			
Security deposit	**764.70**	687.64	640.29
Security Deposits to related party	**9.34**	8.62	7.96
Bank Fixed Deposit maturing after 12 months - Free from lien	**-**	99.00	-
Bank Fixed Deposit maturing after 12 months - Under lien (refer note 9.1)	**229.82**	116.79	26.43
Total	**1,003.86**	912.05	674.68

Note 9.1: Under Lien for Letter of Credits and Guarantees.

Note 10: Deferred tax assets / liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets (refer note 10.1)	**863.12**	1,975.08	1,657.14
Deferred tax liabilities (refer note 10.2)	**1,226.47**	681.81	1,213.14

Note 10.1: The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deferred Tax Assets			
Defined Benefit Obligation	**53.07**	146.48	172.78
Provisions	**5.90**	9.36	-
Property, Plant & Equipment	**(261.07)**	(1,062.62)	(1,076.79)
B/F Business Losses	**17.24**	2,213.83	2,231.34
Other items	**5.31**	34.65	34.81
Net deferred tax Assets/(Liabilities)	**(179.55)**	1,341.70	1,362.14
(b) MAT credit Entitlement	**1,042.66**	633.38	295.00
Total Deferred tax assets/(Liabilities)	**863.12**	1,975.08	1,657.14

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Movement in Deferred tax Assets

(₹ in lakhs)

Particulars	Defined Benefit Obligation/ Employee Provisions	Provisions	Property,Plant & Equipment	B/F Business Losses	Other items	Total
At April 1, 2015	172.78	-	(1,076.79)	2,231.34	34.81	1,362.14
(Charged)/credited:-						
-to profit & loss	(23.77)	9.36	14.17	(17.51)	(0.16)	(17.91)
-to other Comprehensive Income	(2.53)	-	-	-	-	(2.53)
At March 1, 2016	146.48	9.36	(1,062.62)	2,213.83	34.65	1,341.70
(Charged)/credited:-						
-to profit & loss	(110.26)	(3.46)	801.55	(2,196.59)	(29.34)	(1,538.10)
-to other Comprehensive Income	16.85	-	-	-	-	16.85
At March 1, 2017	**53.07**	**5.90**	**(261.07)**	**17.24**	**5.31**	**(179.55)**

Movement in MAT credit entitlement(DTA)

(₹ in lakhs)

Particulars	Amount
At April 1, 2015	295.00
(Charged)/credited:-	
-to profit & loss	338.38
-to other Comprehensive Income	-
At March 31, 2016	633.38
(Charged)/credited:-	
-to profit & loss	409.28
-to other Comprehensive Income	-
At March 31, 2017	**1,042.66**

Note 10.2 The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Tax Liabilities			
Defined Benefit Obligation	**1,084.07**	899.48	731.78
Property, Plant & Equipment	**(2,347.82)**	(1,584.57)	(1,948.14)
Other items	**37.28**	3.28	3.22
Net deferred tax Assets/(Liabilities)	**(1,226.47)**	(681.81)	(1,213.14)

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Movement in Deferred Tax Liabilities

(₹ in lakhs)

Particulars	**Defined Benefit Obligation/ Employee Benefits**	**Property, Plant & Equipment**	**Other items**	**Total**
At April 1, 2015	731.78	(1,948.14)	3.22	(1,213.14)
(Charged)/credited:-				
-to profit & loss	(11.85)	363.57	0.06	351.78
-to other Comprehensive Income	179.55	-	-	179.55
At March 31, 2016	899.48	(1,584.57)	3.28	(681.81)
(Charged)/credited:-				
-to profit & loss	165.59	(763.25)	34.00	(563.66)
-to other Comprehensive Income	19.00	-	-	19.00
At March 31, 2017	**1,084.07**	**(2,347.82)**	**37.28**	**(1,226.47)**

Note 11: Other non current assets

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Capital advances	**72.07**	583.72	83.72
Advances other than capital advances			
- Security deposits	**39.51**	39.19	39.19
	111.58	622.91	122.91
Advance to supplier	**-**	-	0.47
WCT receivables	**24.90**	24.90	36.16
Prepaid expenses	**-**	13.11	-
Income tax on cumulative deposit scheme	**9.53**	4.45	0.35
Others	**3.83**	0.20	0.20
Total	**149.84**	665.57	160.09

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 12: Inventories (lower of cost or net realizable value)

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials	**17,372.65**	10,343.23	13,661.52
Raw materials in Transit	**1,616.70**	691.06	370.52
Work - in - progress			
-Engineering Goods	**38,200.36**	27,366.20	32,115.86
-Ingots and Steel Castings	**1,697.66**	2,052.61	1,670.44
- Erection	**762.95**	781.53	167.85
- Sugar	**116.99**	108.01	88.09
Finished goods			
-Engineered Goods	**240.00**	-	-
- Sugar	**40,933.95**	43,402.19	30,915.67
- Molasses*	**922.30**	617.82	971.94
Goods in transit	**2,982.32**	1,593.36	1,326.85
Stores & spares	**2,686.38**	2,556.01	2,659.82
Stores & spares in Transit	**3.51**	3.23	7.78
Loose tools & others	**39.45**	24.18	21.99
Total	**107,575.22**	89,539.43	83,978.33

* Measured at average net realizable value.

Note 13: Current Financial Assets - Investments

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	**Fair Value (₹ in lakhs)**	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
a) Investments in Equity Instruments						
-Quoted						
Reliance Industries Limited	**704**	**9.29**	704	7.36	704	5.81
Reliance Power Limited	**872**	**0.42**	872	0.43	872	0.49
Ajanta Pharma Limited	**453**	**7.97**	-	-	-	-
Amara Raja Batteries Limited	**1,295**	**11.51**	-	-	-	-
Asian Paints Limited	**971**	**10.40**	-	-	-	-
Bajaj Finance Limited	**1,400**	**16.44**	-	-	-	-
Bajaj Finserv Limited	**343**	**14.02**	-	-	-	-
Blue Dart Express Limited	**217**	**11.23**	-	-	-	-
Dalmia Bharat Limited	**348**	**6.85**	-	-	-	-
Eicher Motors Limited	**51**	**13.03**	-	-	-	-
Gruh Finance Limited	**3,497**	**13.84**	-	-	-	-
HDFC Bank Limited	**993**	**14.32**	-	-	-	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
Hindustan Petroleum Corporation Limited	2,478	13.02	-	-	-	-
Kajaria Ceramics Limited	1,920	11.23	-	-	-	-
Lupin Limited	730	10.55	-	-	-	-
Maruti Suzuki India Limited	218	13.13	-	-	-	-
MAX Financial Services Limited	1,732	9.99	-	-	-	-
Motherson Sumi Systems Limited	3,509	13.08	-	-	-	-
National Building Construction Corporation Limited	7,213	12.41	-	-	-	-
P I Industries Limited	1,579	13.22	-	-	-	-
Page Industries Limited	83	12.15	-	-	-	-
Ramco Cements Limited	1,698	11.37	-	-	-	-
		249.46		7.79		6.30
b) Investments in Bonds & Debentures						
-Quoted						
Canara Bank	50	500.00	50	495.60	50	500.00
ECL Finance Limited	50,000	500.00	50,000	505.05	50,000	500.00
Citicorp Finance (India) Limited NCD Series-548	-	-	500	535.65	-	-
Citicorp Finance (India) Limited NCD Series-559	-	-	1,000	1,036.30	-	-
Citicorp Finance (India) Limited NCD Series-563	-	-	2,000	2,040.40	-	-
Citicorp Finance (India) Limited NCD Series-568	-	-	800	805.20	-	-
Citicorp Finance (India) Limited NCD Series-572	-	-	600	602.16	-	-
Citicorp Finance (India) Limited NCD Series-575	500	545.65	500	500.00	-	-
Citicorp Finance (India) Limited NCD Series-604 (Tranche 7)	500	515.85	-	-	-	-
Citicorp Finance (India) Limited NCD Series-604 (Tranche 8)	500	502.65	-	-	-	-
Citicorp Finance (India) Limited NCD Series-608	1,000	1,016.60	-	-	-	-
Reliance Capital Limited NCD Series B/406	1,000	995.13	-	-	-	-
Citicorp Finance (India) Limited NCD Series-629	2,500	2,500.00	-	-	-	-
Citicorp Finance (India) Limited NCD Series-632	2,500	2,500.00	-	-	-	-
Edelweiss Finance & Investment Limited NCD Series-L7L501A	300	339.91	300	281.64	-	-
Reliance Capital Limited-Debenture series B/257	-	-	-	-	195	206.42
Edelweiss Finance & Investment Limited-Market linked debentures	-	-	225	239.05	225	226.71
7.17% NHAI Bonds	28	283.85	-	-	-	-
7.18% NABARD Bonds	30	301.18	-	-	-	-
7.40% PCF Bonds	10	103.55	-	-	-	-
7.47% PCF Bonds	14	145.79	-	-	-	-
7.60% Axis Bank Bonds	20	204.62	-	-	-	-
7.60% ICICI Bonds	50	514.90	-	-	-	-
8.22% Daimler Financial Bonds	47	474.64	-	-	-	-
8.73% LIC HF Bonds	25	261.30	-	-	-	-
Indiabulls Housing Finance Limited Bonds	11	110.66	-	-	-	-
		12,316.28		7,041.05		1,433.13

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	**Fair Value (₹ in lakhs)**	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
c) Investments in Mutual Funds						
-Unquoted						
Investments in SBI Mutual Fund	**-**	**-**	-	-	36,591	656.79
Axis Short Term Fund-Direct Plan-Growth	**-**	**-**	8,205,391	1,348.15	-	-
Birla Sun Life Cash Plus - Regular - Growth	**-**	**-**	186,663	454.18	-	-
Birla Sun Life Savings Fund-Growth-Direct Plan	**-**	**-**	526,472	1,546.87	-	-
Birla Sunlife Floating Rate Fund - Long Term - Growth - Direct Plan	**1,343,522**	**2,695.74**	-	-	-	-
Birla Sun Life Short Term Fund -Growth-Direct Plan	**4,972,176**	**3,109.76**	-	-	-	-
Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	**5,000,000**	**502.94**	-	-	-	-
Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	**5,000,000**	**504.36**	-	-	-	-
DHFL Pramerica Banking and PSU Debt Fund - Direct Plan - Growth	**7,035,911**	**1,012.92**	-	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AB - Direct Plan - Growth	**50,000**	**503.81**	-	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AE - Direct Plan - Growth	**50,000**	**502.78**	-	-	-	-
DSP Blackrock Liquidity Fund -Direct - Growth	**-**	**-**	-	-	26,014	520.79
DSP Blackrock FMP - Series 152-12.5M-Dir - Growth	**-**	**-**	-	-	5,000,000	550.32
DSP Blackrock Liquidity Fund -Institutional Plan - Growth	**-**	**-**	-	-	42,576	851.29
DSP Blackrock Ultra Short Term Fund-Direct Plan-Growth	**-**	**-**	5,293,516	581.49	-	-
DSP BlackRock Short Term Fund - Direct Plan - Growth	**1,795,184**	**514.06**	-	-	-	-
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	**5,845,213**	**819.12**	-	-	-	-
DWS Short Maturity Fund - Regular Plan - Annual Bonus	**-**	**-**	-	-	4,182,953	702.14
DWS Treasury Fund - Investment - Regular Plan - Bonus	**-**	**-**	-	-	738,222	85.64
HDFC Banking and PSU Debt Fund- Direct Growth Option	**12,719,500**	**1,688.86**	8,776,220	1,055.65	4,539,471	500.97
HDFC Liquid Fund- Direct Plan-Growth Option	**-**	**-**	-	-	2,588,355	714.72
HDFC FMP 92D March 2016(1)-Direct Plan-Series-35	**-**	**-**	12,736,642	1,284.02	-	-
HDFC Medium Term Opper. Fund-Direct Plan-Growth Option	**7,747,479**	**1,408.30**	-	-	-	-
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	**8,000,000**	**805.87**	-	-	-	-
HSBC Cash Fund-Growth Direct Plan	**-**	**-**	-	-	36,311	506.80
ICICI Prudential Money Market Fund - Direct Plan - Growth	**-**	**-**	-	-	343,047	663.75
ICICI Prudential Income - Direct Plan - Growth	**1,127,467**	**614.66**	1,127,467	540.77	1,127,467	506.37
ICICI Prudential Interval Fund III Quarterly Interval - Direct Plan - Growth	**-**	**-**	-	-	3,367,661	505.91
ICICI Prudential Interval Fund II Quarterly Interval Plan A- Direct Plan - Growth	**-**	**-**	-	-	4,342,087	504.63

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
ICICI Prudential Flexible Income-Direct Plan - Growth	-	-	765,081	2,195.75	765,081	2,016.30
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	2,324,522	611.61	2,324,522	550.90	2,324,522	507.28
ICICI Prudential Savings Fund-Direct Plan-Growth	891,708	2,245.18	891,708	2,044.28	-	-
ICICI Prudential FMP Series 78-95 Days Plan K Direct Plan	-	-	15,000,000	1,517.22	-	-
ICICI Prudential Ultra Short Term - Direct Plan - Growth	9,696,708	1,659.34	-	-	-	-
IDFC Corporate Bond Fund Direct Plan-Growth	2,000,000	224.32	2,000,000	203.70	-	-
JP Morgan India Liquid Fund - Direct Plan - Growth	-	-	-	-	601,819	109.29
JPMorgan India Government Securities Fund - Direct Plan	-	-	5,125,218	644.82	5,125,218	605.23
JPMorgan India Treasury Fund - Direct Plan-Growth Option	-	-	-	-	4,342,327	800.00
Kotak Treasury Advantage Fund - Direct Plan - Growth	-	-	6,630,067	1,614.87	2,460,482	550.76
Kotak Low Duration Fund Direct Growth	86,052	1,747.36	82,859	1,534.40	-	-
Mahindra Liquid Fund - Direct - Growth	73,679	775.57	-	-	-	-
Reliance Liquid Fund-Treasury Plan-Growth Plan-Growth	-	-	-	-	31,192	1,062.27
Reliance Liquid Fund-Treasury Plan-Direct Growth Plan - Growth Option	-	-	-	-	64,590	2,203.35
Reliance Short Term Fund - Direct Growth Plan Growth Option	5,775,750	1,825.18	5,775,750	1,664.81	5,775,750	1,533.55
Reliance Dynamic Bond Fund-Direct Growth Plan	7,397,280	1,701.26	5,248,591	1,076.10	5,248,591	1,012.70
Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan-Growth Option	1,050,575	246.80	1,050,575	222.98	1,050,575	203.41
Reliance Liquid Fund-Cash Plan-Direct Growth Plan	-	-	-	-	67,206	1,514.99
Reliance Quarterly Interval Fund-Series II-Direct Growth Plan-Growth Option	-	-	9,757,573	2,024.55	2,642,371	506.20
Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan	5,000,000	608.04	5,000,000	554.50	5,000,000	514.05
Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan	5,000,000	607.98	5,000,000	556.77	5,000,000	512.41
Reliance Money Manager Fund-Direct Growth Plan-Growth Option	-	-	9,803	205.83	-	-
Reliance Medium Term Fund-Direct Growth Plan-Growth Option	2,892,506	1,003.40	15,236,533	4,835.25	-	-
Reliance Fixed Horizon Fund-XXX-Series-9-Direct Growth Plan	-	-	10,000,000	1,009.29	-	-
Reliance Fixed Horizon Fund-XXX-Series 17-Direct Growth Plan	5,000,000	548.79	5,000,000	500.00	-	-
Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan	5,000,000	553.92	5,000,000	505.52	-	-
SBI Magnum Income Fund- Regular Plan - Growth	-	-	7,285,530	2,609.41	7,285,530	2,465.02
SBI Debt Fund Series A 14 - 380 days -Regular - Growth	-	-	-	-	5,000,000	543.82
SBI Debt Fund Series A 16 - 366 days -Regular - Growth	6,000,000	760.75	6,000,000	706.37	6,000,000	653.20
SBI Ultra Short Debt Fund - Regular Plan - Growth	77,364	1,625.00	-	-	35,401	635.43
SBI Treasury Advantage Fund - Direct Plan - Growth	-	-	245,884	4,187.21	97,174	1,516.56

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
SBI Magnum Insta Cash Fund - Regular Plan - Growth	-	-	-	-	161,890	5,003.17
SBI Dual Advantage Fund-Series XI-Regular-Growth	1,000,000	111.43	1,000,000	101.81	-	-
SBI Corporate Bond Fund-Regular Plan-Growth	2,185,831	572.88	2,185,831	520.96	-	-
SBI Dual Advantage Fund-Series XII-Regular-Growth	1,000,000	111.41	1,000,000	101.25	-	-
SBI Regular Savings Fund-Direct Plan-Growth	8,122,464	2,367.22	8,122,464	2,063.57	-	-
SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan-Growth	-	-	19,608	503.41	-	-
SBI Debt Fund Series-B-34 (1131 Days)-Direct Growth	10,000,000	1,102.32	10,000,000	1,008.22	-	-
SBI Dual Advantage Fund-Series XV-Regular-Growth	2,000,000	215.62	2,000,000	200.00	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	125,743	3,201.03	-	-	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	15,124,779	2,858.72	-	-	-	-
SBI Dual Advantage Fund-Series XIX-Regular-Growth	1,000,000	100.73	-	-	-	-
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	5,000,000	503.03	-	-	-	-
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	5,000,000	503.49	-	-	-	-
Reliance Corporate Bond Fund-Direct Growth Plan	19,888,720	2,678.91	-	-	-	-
Reliance Floating Rate Fund - Short Term Plan - Direct Growth Plan	3,826,008	1,005.96	-	-	-	-
Reliance Fixed Horizon Fund - XXXII - Series 10 - Direct Growth Plan	10,000,000	1,007.23	-	-	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct	-	-	-	-	2,776,143	515.41
Invesco India Medium Term Bond Fund-Direct Plan Growth	91,414	1,548.52	65,864	1,023.01	-	-
Invesco India Ultra Short Term Fund- Direct Plan-Growth	13,533	309.44	-	-	-	-
UTI-Dynamic Bond Fund-Direct Plan-Growth	3,142,915	618.39	3,142,915	535.94	3,142,915	501.79
UTI-Short Term Income Fund-Institutional Option-Direct Plan-Growth	7,181,427	1,459.48	2,858,973	526.91	-	-
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	-	-	53,230	1,321.14	-	-
Birla Sun Life Cash Plus - Direct - Growth	34,494	90.14	-	-	-	-
		51,793.63		45,681.88		32,756.31
d) Other Investments						
-Unquoted						
ASK Real Estate		152.50		90.00		-
Reliance Yield Maximiser		368.19		487.04		-
Forefront Alternative Investment Equity Scheme		-		200.00		-
Edelweiss (Ambit) Alpha Fund		216.49		200.00		-
India Whizdom Fund		53.80		20.00		-
Edelweiss Real Estate Opportunities Fund (EROF)		64.00		-		-
IDFC Score Fund		42.00		-		-
Indiabulls High Yield Fund		98.83		-		-
DSP Blackrock India Enhanced Equity Fund		205.98		-		-
Annuities in senior Secured Estate Transactions II Fund-Essel Finance		50.00		-		-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares/ units	Fair Value (₹ in lakhs)	No. of Shares/ units	Fair Value (₹ in lakhs)	No.of Shares/ units	Fair Value (₹ in lakhs)
ASK Real Estate Special Situation Fund		**10.00**		-		-
Indiabulls Dual Advantage Commercial Asset Fund		**125.49**		-		-
Reliance Yield Maximiser Scheme-III (Category II) - Real Estate Fund		**500.00**		-		-
		1,887.28		997.04		-
e) Deposits						
-Unquoted						
HDFC Limited		**500.00**		500.00		800.00
Mahindra & Mahindra Financial Services Limited		**99.00**		99.00		-
Bajaj Finance Limited		**600.00**		300.00		-
PNB Housing Finance Limited		**1,000.00**		500.00		500.00
Dewan Housing Finance Corporation Limited		**400.00**		-		-
		2,599.00		1,399.00		1,300.00
Total Current Investments (a + b + c + d + e)		**68,845.65**		55,126.76		35,495.73
Aggregate value of investments :						
Aggregate acquisition cost of unquoted investments		**52,937.78**		46,020.06		33,112.92
Aggregate acquisition cost of quoted investments		**12,382.73**		6,930.82		1,425.82
Aggregate market value of quoted investments		**12,565.74**		7,048.84		1,439.43

Note 14: Current Financial Assets - Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	**118,465.02**	143,763.17	103,584.58
Unsecured, considered good-related parties	**-**	-	-
Allowance for credit losses	**(659.30)**	(754.90)	(1,099.90)
	117,805.72	143,008.27	102,484.68
Doubtful	**118.81**	88.70	88.70
Allowance for credit losses	**(118.81)**	(88.70)	(88.70)
	-	-	-
Total	**117,805.72**	143,008.27	102,484.68

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 15: Current financial assets-Cash & Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks			
- In current & Cash Credit accounts	**3,217.46**	1,622.82	2,401.04
- In Fixed Deposits accounts (Maturity within 3 months)	**312.83**	-	800.00
	3,530.29	1,622.82	3,201.04
Cheques, drafts on hand	**9.77**	80.34	102.17
Cash in hand	**29.87**	28.36	46.29
	39.64	108.70	148.46
Total	**3,569.93**	1,731.52	3,349.50

Note 16: Current Financial Assets- Other bank Balance

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks (refer note 16.1)			
- In Fixed Deposits Accounts	**9,635.25**	27,827.43	33,282.31
- In Fixed Deposit under lien held as margin money	**832.56**	1,367.79	1,453.69
Earmarked - Unpaid dividend accounts	**134.94**	114.45	108.09
Total	**10,602.75**	29,309.67	34,844.09

Note 16.1: Fixed Deposits With Banks

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Free From any Lien			
i) Maturing within 12 months (classified as other bank balance)	**9,635.25**	27,827.43	33,282.31
	9,635.25	27,827.43	33,282.31
b) Under Lien for Letter of Credits and Guarantees			
i) Maturing within 3 months (classified as other bank balances)	**499.11**	103.69	505.58
ii) Maturing within 12 months (classified as other bank balance)	**333.45**	1,264.10	948.11
	832.56	1,367.79	1,453.69
Total	**10,467.81**	29,195.22	34,736.00

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 17: Current Financial Assets -Loans

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans and advances to employees			
Secured, considered good (refer note 17.1)	**82.17**	65.79	63.11
Unsecured, considered good	**1,052.82**	879.27	529.10
Total	**1,134.99**	945.06	592.21

Note 17.1: Secured by way of hypothecation of Vehicles.

Note 18: Current financial assets-others

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Foreign currency forward contracts	**2,881.34**	1,349.83	1,111.07
Cross currency swap	**15.95**	55.29	-
Security deposit			
-Secured, considered good	**6.43**	2.20	11.01
-Unsecured, considered good	**535.77**	744.10	791.10
Others			
Interest accured but not due	**448.68**	789.58	1,108.38
Total	**3,888.17**	2,941.00	3,021.56

Note 19: Current tax assets /Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid income - taxes	**5.01**	7.23	1.58
Less: provisions for income- tax	**2.42**	1.07	-
Net current tax assets	**2.59**	6.16	1.58
Provisions for income- tax	**11,094.04**	10,889.37	8,954.73
Less: Prepaid income - taxes	**10,691.41**	9,675.96	7,723.85
Net current tax Liabilities	**402.63**	1,213.41	1,230.88

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 20: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to suppliers			
- to others	**23,523.09**	15,015.52	15,985.57
- to related parties	**25.00**	-	25.00
Pre-paid expenses	**810.02**	617.05	829.54
Balance with Govt Department	**4,329.40**	4,559.04	6,023.50
Group Gratuity Fund	**325.71**	287.84	332.22
Export Incentive receivable	**1,792.27**	2,457.59	2,607.30
Firm Commitment	**49.66**	3.39	117.05
Others	**360.71**	507.92	250.32
Total	**31,215.86**	23,448.35	26,170.50

Note 21: Share capital

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorised	**8,500,000**	**850.00**	8,500,000	850.00	8,500,000	850.00
Issued, subscribed & paid up	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29
Total		**735.29**		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 ₹ 10 per share. Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to number of equity shares held by each of the equity share holders.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

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

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares outstanding at the beginning of the year	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29
Add: Issued during the year	**-**	**-**	-	-	-	-
Less: Shares bought back during the year	**-**	**-**	-	-	-	-
Equity shares outstanding at the end of the year	**7,352,951**	**735.29**	7,352,951	735.29	7,352,951	735.29

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

(₹ in lakhs)

Class of shares/Name of the shareholders:	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights						
(i) Yamuna Syndicate Ltd.	**3,296,526**	**44.83%**	3,296,526	44.83%	3,296,526	44.83%
(ii) Mr. Ranjit Puri (individually and/or jointly with others)	**659,201**	**8.97%**	659,201	8.97%	659,201	8.97%
(iii) Mr. Aditya Puri (individually and/or jointly with others)	**456,808**	**6.21%**	456,808	6.21%	456,808	6.21%
(iv) Mr. Ranjan Tandon (individually and/or jointly with others)	**438,900**	**5.97%**	438,900	5.97%	438,900	5.97%

(d) Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

(₹ in lakhs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Fully paid Equity Shares	-	-	-	16,589	-

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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 22: Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Capital Reserve		
Balance outstanding at the beginning of the year	**0.01**	0.01
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.2)	**0.01**	0.01
(b) Capital Redemption Reserve		
Balance outstanding at the beginning of the year	**3.24**	3.24
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.2)	**3.24**	3.24
(c) Securities Premium Account		
Balance outstanding at the beginning of the year	**450.22**	450.22
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.2)	**450.22**	450.22
(d) General Reserve		
Balance outstanding at the beginning of the year	**18,816.93**	18,816.93
Add: Additions during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance outstanding at the end of the year (refer note 22.2)	**18,816.93**	18,816.93
(e) Retained earnings		
Balance outstanding at the beginning of the year	**82,763.11**	66,388.79
Add: Profit for the year	**24,209.33**	18,473.93
Remeasurements of Post Employment Benefits Obligations (refer note 22.1)	**(26.32)**	(329.63)
Less: Dividend paid (including dividend tax) for the year	**884.98**	884.99
Less: Interim dividend paid (including dividend tax) for the year	**1,327.69**	884.99
Balance outstanding at the end of the year	**104,733.45**	82,763.11
(f) Other comprehensive income		
(i)Equity Instruments through Other Comprehensive Income		
-Balance outstanding at the beginning of the year	**126.67**	-
-Other comprehensive income for the year	**502.84**	126.67
-Balance outstanding at the end of the year (refer note 22.2)	**629.51**	126.67
(ii)Effective Portion of Cash Flow Hedges		
-Balance outstanding at the beginning of the year	**(12.45)**	-
-Other comprehensive income for the year	**7.99**	(12.45)
-Balance outstanding at the end of the year (refer note 22.2)	**(4.46)**	(12.45)
Total	**124,628.90**	102,147.73

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 22.1: This is an item of Other Comprehensive Income, recognised directly in retained earnings.

Note 22.2 : Nature and purpose of reserves

Capital Reserve

40 equity shares of ₹ 10/- each are yet to be allotted by way of bonus shares on receipt of fractional certificates, value of which has been shown under capital reserve.

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 Reserves

Securities premium reserves is used to record the premium on issue of 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 company'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 company transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 23: Non-Current Financial Liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
External Commercial Borrowings Secured (Refer Note-23.1 below)	**509.23**	1,029.14	3,062.71
Indian Rupee Term Loan Under SEFASU, 2014 Scheme (Refer Note-23.2 below)	**886.97**	2,366.00	3,549.00
Soft Loan from Banks under Central Govt. Scheme for Sugar undertakings (Refer Note-23.3 below)	**583.13**	2,904.69	-
	1,979.33	6,299.83	6,611.71
Unsecured			
From banks	**-**	-	-
Deposits (refer note 23.4)			
- Public	**1,721.77**	2,477.29	788.00
- Shareholders	**-**	-	-
- Directors	**-**	10.00	-
	1,721.77	2,487.29	788.00
Total	**3,701.10**	8,787.12	7,399.71

Note 23.1 : Particulars of External Commercial Borrowing

(₹ in lakhs)

Balance	Term Loan outstanding	Current maturity	Long term	Rate of Interest (p.a.)	Initial loan amount	Term of repayment	Security
As at March 31, 2017	**972.58**	**463.35**	**509.23**	**LIBOR + 2.75%**	**1853.40**	Repayable in equal quarterly installments of $ 1,87,500. Last payment due on 22.01.2019	Exclusive charge on specific movable and immovable fixed assets of Isgec Hitachi Zosen Limited and Corporate Guarantee by Isgec Heavy Engineering Limited for USD 3.00 million
As at March 31, 2016	1,492.49	463.35	1,029.14				
As at April 1, 2015	1,877.73	463.35	1,414.38				

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Balance	Loan amount outstanding	Current maturity	Long term	Rate of interest (p.a.)	Initial loan amount	Term of repayment	Security
As at March 31, 2017	**-**	**-**	**-**	**8.23%**	**5658.00**	Repayable in quarterly installments. First installment of ₹ 176.81 lakhs was due and paid on 24.10.2011 and balance repayable in equal quarterly installments of ₹ 365.41 lakhs. Last installment was paid on 22.07.2015	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
As at March 31, 2016	-	-	-				
As at April 1, 2015	730.83	730.83	-				
As at March 31, 2017	**-**	**-**	**-**	**7.10%**	**9890.00**	Repayable in quarterly installments. First installment of ₹ 329.67 lakhs was due and paid on 05.01.2013. The balance is payable in 14 quarterly installments of ₹ 659.33 lakhs and last installment of ₹ 329.67 lakhs. Last installment was paid on 05.10.2016	Exclusive charge on specific movable and immovable fixed assets at Yamunanagar, Muzaffarnagar and Dahej units of the company.
As at March 31, 2016	1,644.80	1,644.80	-				
As at April 1, 2015	4,267.59	2,619.26	1,648.33				

Note 23.2: Particulars of Rupee Term Loan Under Scheme for Extending Assistance to Sugar Undertaking (SFEASU 2014 Scheme)

(₹ in lakhs)

Balance	Term Loan outstanding	Current maturity	Long term	Rate of Interest (p.a.)	Initial loan amount	Term of repayment	Security
As at March 31, 2017	**2069.98**	**1183.01**	**886.97**	**12.00%**	**3549.00**	Rate of interest is 12% p.a. .The loan is repayable in 12 equal quarterly installments, after moratorium period of 2 years. Installments of ₹ 295.75 Lakhs each start from April, 2016 and end in January, 2019. The Government of India will give interest subvention of actual rate of interest upto 12% p.a during the tenure of the loan.	Term Loan under SEFASU, 2014 Scheme is secured by way of extension of first pari passu charge on fixed & current assets of Saraswati Sugar Mills Ltd.
As at March 31, 2016	3,549.00	1,183.00	2,366.00				
As at April 1, 2015	3,549.00	-	3549.00				

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 23.3: Soft Loan from Banks under Central Govt. Scheme for Sugar Undertakings

(₹ in lakhs)

Balance	Term Loan outstanding	Current maturity	Long term	Rate of Interest (p.a.)	Initial loan amount	Term of repayment	Security
As at March 31, 2017	**816.37**	**233.24**	**583.13**	**11.70%**	**3575.00**	Rate of interest is 11.70% p.a..The loan is repayable in 16 equal quarterly installments, after moratorium period of one year. Installments of ₹ 58.31 lakhs are to be paid from August,2016 to May, 2020. The Government of India will give interest subvention upto 10% p.a for initial period of one year.	Secured by way of pledge of Sugar stocks on pari passu basis and 1st charge on fixed assets on pari passu basis of Saraswati Sugar Mills Ltd.
As at March 31, 2016	3,575.00	670.31	2,904.69				
As at April 1, 2015	-	-	-				

Note 23.4 : Particulars of Public Deposit

(₹ in lakhs)

Deposits	As at	Deposit outstanding	Short term	Long term	Period of Deposit: Rate of Interest (p.a.)	Term of repayment	Security
Public	**March 31, 2017**	**2,450.69**	**728.92**	**1,721.77**	1 Year 8.00% 2 Year 8.50% *3 Year 10.00% *For Employees 10.25% for 3 years	Repayment on due maturity date	Unsecured
	March 31, 2016	2,477.29	-	2,477.29			
	April 1, 2015	788.00	-	788.00			
Shareholder	**March 31, 2017**	**-**	**-**	**-**			
	March 31, 2016	-	-	-			
	April 1, 2015	-	-	-			
Director	**March 31, 2017**	**-**	**-**	**-**			
	March 31, 2016	10.00	-	10.00			
	April 1, 2015	-	-	-			
Total	**March 31, 2017**	**2,450.69**	**728.92**	**1,721.77**			
	March 31, 2016	2,487.29	-	2,487.29			
	April 1, 2015	788.00	-	788.00			

Note 24: Non Current Financial Liabilities - Trade Payable

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Due to parties registered under MSMED Act (refer note 24.1)	**-**	-	-
Due to other parties	**-**	6.25	6.25
Total	**-**	6.25	6.25

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 24.1 : Trade payables to micro and small enterprises

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
(a) Amount remaining unpaid to any supplier			
-Principal amount remaining unpaid	-	-	-
-Interest due on above	-	-	-
(b) Interest paid under MSMED Act, 2006	-	-	-
(c) Interest due (other than (b) above)	-	-	-
(d) Interest accrued and unpaid	-	-	-
(e) Interest due and payable till actual payment	-	-	-

Note 25: Non-Current financial liabilities - Other Financial Liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Interest accrued but not due on borrowings	**216.67**	211.06	14.74
Security deposit under car loan scheme	**198.99**	226.58	209.68
Security Deposit -Others	**2.55**	2.68	10.06
Total	**418.21**	440.32	234.48

Note 26: Long term Provisions

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
-Gratuity	**0.78**	-	-
-Leave Encashment	**1,973.91**	1,786.23	1,305.32
-Pension Provision	**1,239.28**	1,351.55	1,376.65
	3,213.97	3,137.78	2,681.97
Provision for Warranty (refer note 26.1 & 26.2)	**3,937.78**	8,183.44	10,275.56
Total	**7,151.75**	11,321.22	12,957.53

Note 26.1: Provision for warranty

Provision is made for the estimated warranty claims and after sales services in respect of products sold.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 26.2: Movement of Provision for Warranty

(₹ in lakhs)

Particulars	**Warranties**		
	2016-17	2015-16	2014-15
Movement of Provision for Performance Warranties/ After Sales Services			
Carrying Amount at the Beginning of the Year	**17,906.67**	15,704.70	14,873.80
Additional Provision made during the year	**3,821.63**	5,225.97	5,454.06
Amount used during the year	**(3,489.64)**	(2,646.76)	(2,951.05)
Amount reversed during the year	**(892.82)**	(673.22)	(312.44)
Adjustment due to discounting	**540.52**	295.98	(1,359.67)
Carrying amount at the end of the year	**17,886.36**	17,906.67	15,704.70
Break up of Carrying amount at the end of the year			
Long Term Provisions	**3,937.78**	8,183.44	10,275.56
Short Term Provisions (refer note no 32)	**13,948.58**	9,723.23	5,429.14

Note 27: Other Non-Current liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Statutory dues payable	**-**	-	1.56
Advance from customers	**14,831.61**	15,321.86	13,815.38
Deferred Government Grant (Refer note 27.1)	**38.56**	-	-
Lease Equalisation Reserve	**42.10**	24.78	-
Total	**14,912.27**	15,346.64	13,816.94

Note : 27.1

"Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 lakhs received free of cost under a scheme of Haryana Government. There are no unfulfilled conditions or other contingencies attached to these grants.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 28: Current Financial Liabilities - Borrowings

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Secured			
Term Loan from Bank	**-**	9,951.91	-
Working Capital Demand Loan(WCDL)(refer note 28.1 , 28.2 & 28.3)	**2,000.00**	9,500.00	5,000.00
Cash Credit accounts (refer note 28.1 & 28.2)	**8,916.45**	8,108.80	17,490.76
Packing Credit Loan from Banks (refer note 28.4)			
- In Indian Rupees	**8,000.00**	14,000.00	-
- In Foreign Currency	**-**	2,321.65	17,485.68
Buyers Credit from Banks (in USD) (refer note 28.5)	**1,038.34**	-	-
	19,954.79	43,882.36	39,976.44
Unsecured			
Packing Credit Loan from Banks (refer note 28.4)			
In Indian Rupees	**2,000.00**	9,500.00	-
In Foreign Currency	**-**	-	1,251.82
Short Term Loan from Bank (Refer Note 28.5)	**3,500.00**	-	-
Loan from Haryana Government : (Measured at fair value) (Refer Note 28.6)	**3,795.10**	-	-
Deposits:			
- Public (Refer note 23.4)	**728.92**	-	-
	10,024.02	9,500.00	1,251.82
Total	**29,978.81**	53,382.36	41,228.26

28.1 Repayable on demand.

28.2 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.

28.3 WCDL is taken as sub limit under Cash Credit limit. WCDL of ₹ 2000 lakhs was taken for a period of 30 days from the date of disbursement which bears interest @8.25% p.a.

28.4 Average rate of interest on Packing Credit Loans from Banks is 0.97 % p.a in Foreign Currency (all loans are in USD) (previous year 1.13 % p.a) and 7.47 % p.a. in Indian Rupees (previous year 9.08%).

28.5 Unsecured short term loan bearing interest @ 8.00% p.a taken from the Bank for tenor of 180 days.

28.6 Loan from Haryana Government

a) Haryana Government gave financial assistance of ₹ 4005 lakhs in the form of interest free loan to clear the outstanding dues of cane growers pertaining to season 2015-16. This Loan is measured at fair value after adjusting element of Government grant.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 29: Current Financial Liabilities - Trade Payable

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Due to parties registered under MSMED Act	**31.37**	54.32	113.55
Due to other parties	**141,599.67**	142,215.40	120,853.87
Due to related parties	**34.93**	104.49	52.00
Total	**141,665.97**	142,374.21	121,019.42

29.1 Based on the information so far obtained by the Company, payment to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been made within 45 days and disclosure in accordance with section 22 of the MSMED Act is as under:

(₹ in lakhs)

Particulars		**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
a)	Amount remaining unpaid to any supplier			
	Principal Amount	31.37	54.32	113.55
	Interest due thereon	-	-	-
b)	Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006	-	0.09	0.03
c)	Interest due (Other than (b) above)	-	-	-
d)	Interest accrued and unpaid	-	-	-
e)	Interest due and payable till actual payment	-	-	-

Note 30: Current financial liabilities excluding provisions - Others

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Current maturities of long term debt	**1,879.60**	3,961.46	3,813.44
Interest accrued but not due on borrowings	**340.68**	242.86	383.28
Unpaid dividends	**134.94**	114.45	108.09
Security Deposit -Others	**342.21**	344.86	343.59
Expenses payable	**1,606.85**	639.94	937.01
Capital creditors	**360.39**	254.76	245.91
Firm commitment on sales	**609.00**	56.31	378.75
Salary payable	**1,301.71**	899.16	1,597.81
Managerial /Director remuneration payable	**2,750.62**	2,895.89	2,364.09
Others	**379.95**	396.82	533.93
Total	**9,705.95**	9,806.51	10,705.90

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 31: Other Current liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Other advances	**-**	-	273.93
Statutory dues payable	**3,779.72**	4,227.54	2,288.53
Advance from customers	**48,655.94**	43,487.79	38,263.45
Deferred Government grants (Refer note 27.1 & 28.6)	**213.23**	48.09	-
Forward contracts	**2,406.20**	1,294.47	846.78
Others	**1,870.97**	2,005.28	1,293.58
Total	**56,926.06**	51,063.17	42,966.27

Note 32: Current Liabilities -Provisions

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
- Gratuity	**106.88**	39.05	14.13
-Leave Encashment	491.99	415.97	354.73
-Pension Provision	**178.84**	128.85	173.57
	777.71	583.87	542.43
Provision for CSR (refer note 32.1 & 32.2)	**5.11**	110.63	172.76
Provision for Warranty (refer note 26.1 & 26.2)	**13,948.58**	9,723.23	5,429.14
Total	14,731.40	10,417.73	6,144.33

Note 32.1: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. Refer details in annexure on CSR in Board's report.

Note 32.2: Movement of Provision for Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
(i) Opening Balance	**110.63**	172.76	-
(ii) Provided for during the year	**373.74**	257.60	172.76
(iii) Spent during the year	**(479.26)**	(319.73)	-
Closing Balance	**5.11**	110.63	172.76

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 33: Revenue from operations

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Sale of products (including excise duty)	**358,317.64**	424,633.87
Erection, Commissioning and related services	**36,265.68**	29,577.76
Other operating revenue (refer note 33.1)	**11,005.76**	8,748.76
Total	**405,589.08**	462,960.39

Note 33.1: Other Operating Revenue

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Commission Earned	94.91	126.53
Export Incentive	**3,360.84**	4,625.47
Packing Receipts	11.62	15.84
Unclaimed Balances Written off	**47.71**	35.47
Excess Provision Written Back	**1,270.63**	784.11
Bad Debt written off now realised	**-**	2.72
Scrap and Waste Sale	**1,275.31**	1,285.54
Lease rent receipts	**0.79**	0.79
Profit on sale of stores	**0.03**	-
Foreign Exchange Fluctuations	**4,197.19**	1,354.64
Others	**746.73**	517.65
Total	**11,005.76**	8,748.76

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 34: Other income

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Interest income	**2,699.02**	3,221.85
Reimbursement of Interest	**479.05**	446.33
Dividend income	**2.08**	0.15
Other non - operating income (net of expenses)	**431.74**	369.86
Net gain / loss on sale of investments	**3,813.42**	1,875.84
Net gain / loss on Fair Valuation of investments	**1,349.26**	1,218.89
Production subsidy claim	**314.56**	-
Government Grant (Revenue)	**1.51**	-
Government Grant-Gain on Fair valuation of Loans received at concessional/nil rate	**268.96**	530.15
Government Grant- Amortization of Fixed Assets	**2.97**	-
Profit from Farm Operations (refer note 34.1)	**(0.46)**	(3.81)
Total	**9,362.11**	7,659.26

Note 34.1: Profit from farm operation

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Income:		
Sale of Farm Produce	**8.38**	5.74
Miscellaneous Income	**0.14**	-
Total	**8.52**	5.74
Expenditure:		
Salaries, Wages and Bonus	**6.55**	6.07
Cultivation Expenses	**3.35**	2.79
Miscellaneous Expenses	**0.24**	0.31
Repairs and Maintenance:		
- Machinery and Tractors	**0.68**	0.47
- Building	**-**	-
Depreciation	**0.04**	0.05
	10.86	9.69
(Increase)/Decrease in Stock	**(1.88)**	(0.14)
Total	**8.98**	9.55
Profit	**(0.46)**	(3.81)

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 35: Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw Material and Component consumed	**101,156.68**	99,461.15
Stores Consumed	**5,223.20**	4,763.01
Total	**106,379.88**	104,224.16

Note 36: Changes in inventories of finished goods, stock - in - trade & work - in - progress

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock		
Work-in-progress	**30,308.35**	34,042.25
Finished Goods	**44,020.01**	31,887.62
	74,328.36	65,929.87
Closing Stock		
Work in Progress	**40,777.96**	30,308.35
Finished Goods	**43,433.13**	44,020.01
	84,211.09	74,328.36
Changes in inventory	**(9,882.73)**	(8,398.49)

Note 37 : Employee benefits expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries & wages	**29,531.54**	27,157.40
Contribution to provident & other funds	**2,249.40**	2,369.32
Staff welfare expenses	**944.17**	792.05
Total	**32,725.11**	30,318.77

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	2016-17	2015-16	2014-15
Provident Fund	**1,534.48**	1,419.27	1,246.24
Employees State Insurance	**16.80**	9.36	12.50
Superannuation fund	**57.70**	49.93	38.31
National Pension Scheme	**116.89**	45.01	-
Total	**1,725.87**	1,523.57	1,297.05

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(b) Defined Benefits Plan :

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

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
i. Change in Present value of Obligation						
a. Present Value of Obligation at the beginning of the year	**6,440.93**	5,391.94	4,830.10	**2,202.20**	1,660.05	1,433.75
b. Interest cost	**488.86**	428.48	392.23	**166.46**	132.51	115.58
c. Current service cost	**565.09**	518.01	393.12	**414.71**	394.44	287.10
d. Benefits paid	**(527.23)**	(411.82)	(516.73)	**(541.23)**	(428.43)	(380.53)
e. Actuarial (gain) / loss	**94.20**	514.36	293.22	**223.76**	443.63	204.15
f. Present Value of Obligation at the end of the year	**7,061.85**	6,440.97	5,391.94	**2,465.90**	2,202.20	1,660.05
ii. Change in the Fair Value of Plan Assets						
a. Fair Value of Plan Assets at the beginning of the year	**6,689.72**	5,710.02	5,025.91	N.A.	N.A.	N.A.
b. Actual Return on Plan Assets	**546.74**	478.95	451.35	**-**	-	-
c. Contributions	**578.89**	934.35	764.00	**-**	-	-
d. Mortality, admin and FMC charges	**(8.21)**	-	-	**-**	-	-
e. Benefits paid	**(527.23)**	(411.82)	(516.73)	**-**	-	-
f. Actuarial Gain / (Loss) on Plan Assets	**-**	(21.74)	(14.51)	**-**	-	-
g. Fair Value of Plan Assets at the end of the year	**7,279.91**	6,689.76	5,710.02	**-**	-	-
iii. Reconciliation of Fair Value of Assets and Obligations						
a. Fair Value of Plan Assets at the end of the year	**7,279.91**	6,689.76	5,710.02	**-**	-	-
b. Present Value of Obligation at the end of the year	**7,061.85**	6,440.97	5,391.94	**2,465.90**	2,202.20	1,660.05
c. Amount recognised in the Balance Sheet	**218.06**	248.79	318.08	**(2,465.90)**	(2,202.20)	(1,660.05)
- Current	**217.28**	248.79	318.08	**(491.99)**	(415.97)	(354.73)
- Non-Current	**0.78**	-	-	**(1,973.91)**	(1,786.23)	(1,305.32)
iv. Expenses recognised in the statement of Profit & Loss						
a. Current Service Cost	**565.09**	518.01	393.12	**414.70**	394.44	287.10
b. Interest Cost	**365.86**	316.81	392.23	**166.47**	132.51	115.58
c. Expected Return on Plan Assets	**(385.78)**	(341.81)	(451.35)	**-**	-	-
d. Actuarial (Gain) / Loss	**-**	-	307.73	**223.76**	443.63	204.15
e. Expenses recognised in the Profit & Loss	**545.17**	493.01	641.73	**804.93**	970.58	606.83

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
v. Recognised in other comprehensive income for the year						
a. Net cumulative unrecognized actuarial gain/(loss) opening	**(518.78)**	-	-	**-**	-	-
b. Actuarial gain/(loss) for the year on present benefit obligation	**(94.20)**	(514.36)	-	**-**	-	-
c. Actuarial gain/(loss) for the year on assets	**37.96**	3.73	-	**-**	-	-
d. Unrecognized actuarial gain/(loss) at the end of the year	**(575.03)**	(510.63)	-	**-**	-	-
vi. Actuarial Assumptions						
a. Discount Rate (per annum)	**7.50%**	7.50%	8.00%	**7.51%**	7.50%	8.00%
b. Estimated Rate of return on Plan Assets (per annum)	**0.00%**	8.50%	9.00%	**-**	-	-
c. Rate of Escalation in Salary (per annum)	**7.50%**	7.50%	6.50%	**7.17%**	7.50%	6.50%

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

(₹ in lakhs)

Particulars	Gratuity (Funded)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
Defined Benefit Obligation	**7,061.85**	6,440.97	5,391.94	**2,465.90**	2,202.20	1,660.05
Plan Assets	**7,279.91**	6,689.76	5,710.02	**-**	-	-
Surplus / (Deficit)	**218.06**	248.79	318.08	**(2,465.90)**	(2,202.20)	(1,660.05)

(d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	Leave Encashment (Non-funded)
	2016-17	**2016-17**
a. Within next twelve months	**970.07**	**215.65**
b. Between two and five years	**1,296.21**	**302.48**
c. Between six and ten years	**4,795.57**	**1,947.77**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars		Gratuity (Funded)	Leave Encashment (Non-funded)
		2016-17	**2016-17**
a.	**Impact of the change in discount rate**		
	Present value of obligation at the end of the period	**7,061.85**	**2,465.90**
	(i) Impact due to increase of 0.50%	**(290.13)**	**(153.12)**
	(ii) Impact due to decrease of 0.50%	**314.55**	**168.92**
b.	**Impact of the change in salary**		
	Present value of obligation at the end of the period	**7,061.85**	**2,465.90**
	(i) Impact due to increase of 0.50%	**313.44**	**159.60**
	(ii) Impact due to decrease of 0.50%	**(291.81)**	**(145.25)**

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)			Leave Encashment (Non-funded)		
	2016-17	2015-16	2014-15	**2016-17**	2015-16	2014-15
Fund managed by insurer	**100%**	100%	100%	**-**	-	-

(g) Mortality rate

Particulars	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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 38: Finance costs

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Interest	**4,098.70**	5,150.82
Other borrowing costs	**213.34**	201.69
Total	**4,312.04**	5,352.51

Note 39: Depreciation and amortization expense

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Depreciation on Tangible assets	**6,465.64**	6,602.90
Amortisation of Intangible assets	**1,062.97**	966.01
Total	**7,528.61**	7,568.91

Note 40: Other expense

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Excise duty on sale of goods	**13,910.41**	11,975.67
Power & Fuel	**3,427.06**	3,604.28
Other Manufacturing Expenses	**15,697.23**	14,834.78
Rent	**810.40**	783.81
Repairs to:		
-Machinery	**1,360.66**	1,090.97
-Building	**666.66**	741.72
-Others	**252.91**	97.54
Insurance	**664.80**	678.24
Rates and Taxes	**497.66**	148.69
Commission to Selling Agents and Others	**2,597.25**	2,844.53
Royalty	**957.68**	1,496.86
Bad Debts Written Off	**1.47**	343.50
Rebates and Discounts	**31.14**	309.65
Electricity and Water expenses	**385.06**	387.07
Travelling and Conveyance	**5,597.47**	5,551.22
Freight and forwarding charges	**17,300.55**	19,446.85
Design & Technical Expenses	**4,245.22**	5,166.37
Advertising and sales promotion	**143.74**	170.39
Office & Maintenance expenses	**8,264.43**	7,220.47

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Bank Charges	**1,489.63**	1,260.10
Adjustment of expected credit loss	**(94.62)**	(345.00)
Loss / (profit) on sale of fixed assets (net)	**23.62**	35.95
Loss on Sales/Diminution in Value of Stores	**6.32**	20.85
Loss/Provision on Sales/Disposal of Investments	**-**	-
Loss on Export Incentive	**-**	189.56
Director's Fees and Commission	**14.27**	8.53
Donation	**10.14**	3.32
Payment to statutory auditor		
- as statutory auditor	**18.67**	18.22
- for taxation matters	**-**	0.18
- for other services	**0.57**	0.82
- for reimbursement of expenses	**1.84**	1.79
Managerial Remuneration	**2,854.56**	2,978.76
Corporate Social Responsibility expenses (refer note 32.2 & 40.1)	**373.74**	257.60
Total	**81,510.54**	81,323.29

Note 40.1: CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by the company during the year is ₹ 373.74 lakhs. The company was required to spend the sum of ₹ 110.63 lakhs for the F.Y 2015-16 and ₹ 373.74 lakhs for the F.Y 2016-17 totaling to ₹ 484.37 lakhs. An amount of ₹ 479.26 lakhs has been spent. The balance minor amount of ₹ 5.11 lakhs has been provided in the balance sheet which will be spent in the next year.

b) Amount spent during the year on:

(₹ in lakhs)

Particulars	In Cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	479.26	5.11

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 41: Tax expense

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income tax expense		
Current tax		
Current tax on profit for the period	**10,183.62**	9,988.28
Adjustments for current tax of prior periods	**(0.20)**	15.80
Total Current tax expense	**10,183.42**	10,004.08
(b) Deferred tax		
Deferred Tax Expenses	**2,084.09**	(333.87)
(c) MAT		
Mat Credit Entitlement	**(409.42)**	(338.38)
Total Income tax Expense	**11,858.09**	9,331.83

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the year (before income tax expense)	**36,691.83**	28,377.18
Tax at Indian tax rate of 34.608%(2015-16 - 34.608%)	**12,698.31**	9,820.77
Tax effects of amounts which are not deductible (taxable) in calculating taxable income		
Add: Non deductible expenses		
-- Book Depreciation charged on Lease Hold Land (non-depreciable asset under income tax)	**25.24**	24.79
-- Corporate social responsibility expenses	**129.35**	89.15
-- Donation	**3.51**	1.11
-- Loss on sale of fixed assets	**8.18**	12.31
-- Tax on perquisites	**15.06**	14.65
-- Interest Expenses on ECB Loan	**-**	5.03
-- Lease Rent Equalization Expenses	**6.00**	8.58
--Lease Rent Expenses on security deposit	**2.67**	2.26
-- Interest on income Tax	**6.75**	-
--Previous Year Tax adjustments	**-**	15.80
-- Warranty Cost	**-**	102.43
-- Short Term Capital Gain on sales of mutual fund	**1,017.70**	-
	13,912.76	10,096.89

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Less:		
Additional amount deductible		
-- Investment Allowance u/s 32AC (1A)	**262.18**	132.66
-- Donation to PMNRF (100% allowable u/s 80G)	**89.29**	69.22
Income not taxable		
-- Profit on sales of fixed assets	**21.68**	9.85
-- Exempted Agricultural income u/s 10 (1)	**3.14**	1.39
-- Exempted Dividend income u/s 10 (34)	**382.81**	0.05
-- Gain on sales of investments	**1,286.85**	-
--Amortisation of Government Grant	**1.03**	-
-- Increase in Fair Value of investments	**466.95**	421.87
-- Interest income on fair value of security deposit	**2.88**	2.37
-- Reversal of provision (Expected Credit Loss)	**33.08**	119.40
-- Reversal of provision for diminution in value of investment	**-**	7.88
-- Reversal of provision (Doubtful debts)	**9.51**	0.38
-- Items not considered for tax purposes	**(382.08)**	-
Change in rate of tax	**(122.65)**	-
Total	**11,858.09**	9,331.83

Note 42: Contingent Liabilities and Assets

(₹ in lakhs)

Particulars			As at March 31, 2017	As at March 31, 2016
I	**Contingent Liabilities not provided for:**			
	a)	Claims against the Group not acknowledged as debts (including sales tax under dispute)	**1,075.70**	1,850.68
	b)	Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	**34,207.20**	33,808.44

Commitments

(₹ in lakhs)

Particulars		As at March 31, 2017	As at March 31, 2016
II	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	**1,915.33**	2,622.45

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 43: Earnings per share

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Nominal value of Equity Share (In ₹)	**10.00**	10.00
Number of Weighted Equity Shares outstanding during the year for the purpose of calculation of Earning Per Share	**7,352,951**	7,352,951
Profit / (loss) for the year attributable to Owners of the Parent (₹ in lakhs)	**24,209.33**	18,473.93
Basic & Diluted Earning per Share (In ₹)	**329.25**	251.25

Segment Reporting

Note 44 : DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS

Operating Segments:

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

- Sugar which consists of manufacture and sale of Sugar and its byproducts and,
- Engineering which comprises of production and sales of Heavy Engineering Equipments, Mechanical and Hydraulic Presses, Castings and execution of Projects for setting up of Boilers, Sugar Plants, Power Plants and related equipment and Air Pollution Control equipments.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

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

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.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(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.

A. Summary of Segmental Information

(₹ in lakhs)

Particulars	Sugar	Engineering	Unallocated	Eliminations	Total
Revenue					
External	**62,750.05**	**342,839.03**	**-**	**-**	**405,589.08**
	(41,865.95)	(421,094.44)	(-)	(-)	(462,960.39)
Inter-segment	**-**	**57.00**	**-**	**(57.00)**	**-**
	(-)	(13.21)	(-)	(-13.21)	(-)
Total revenue	**62,750.05**	**342,896.03**	**-**	**(57.00)**	**405,589.08**
	(41,865.95)	(421,107.65)	(-)	(-13.21)	(462,960.39)
Results					
Segment result	**10,260.71**	**23,536.25**	**-**	**-**	**33,796.96**
	(104.33)	(27,879.50)	(-)	(-)	(27,983.83)
Unallocated expenditure net of unallocated income	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(-)	(-)
Interest Expense					
a) External	**-1,588.65**	**-2,510.05**	**-**	**-**	**-4,098.70**
	(-2,442.58)	(-2,708.24)	(-)	(-)	(-5,150.82)
b) Inter Segment	**-174.55**	**-**	**-**	**174.55**	**-**
	(-6.19)	(-)	(-)	(6.19)	(-)
Profit on Sale of Investments					
a) External	**95.06**	**3,718.36**	**-**	**-**	**3,813.42**
	(331.13)	(1,544.71)	(-)	(-)	(1,875.84)
Dividend Income					
a) External	**-**	**2.08**	**-**	**-**	**2.08**
	(-)	(0.15)	(-)	(-)	(0.15)
Interest income					
a) External	**487.81**	**2,690.26**	**-**	**-**	**3,178.07**
	(454.96)	(3,213.22)	(-)	(-)	(3,668.18)
b) Inter Segment	**-**	**174.55**	**-**	**-174.55**	**-**
	(-)	(6.19)	(-)	(-6.19)	(-)
Depreciation	**580.12**	**6,948.49**	**-**	**-**	**7,528.61**
	(660.83)	(6,908.08)	(-)	(-)	(7,568.91)
Profit / Loss(-) before taxation and Minority Interest	**9,080.38**	**27,611.45**	**-**	**-**	**36,691.83**
	(-1,558.35)	(29,935.53)	(-)	(-)	(28,377.18)
Provision for Deferred tax	**1,976.26**	**107.83**	**-**	**-**	**2,084.09**
	(-449.71)	(115.84)	(-)	(-)	(-333.87)
Provision for Income tax	**1,312.15**	**8,461.85**	**-**	**-**	**9,774.00**
	(-)	(9,665.70)	(-)	(-)	(9,665.70)
Profit / Loss(-) after taxation and before Minority Interest	**5,791.97**	**19,041.77**	**-**	**-**	**24,833.74**
	(-1,108.64)	(20,153.99)	(-)	(-)	(19,045.35)

Note :- Previous year figures are indicated in parenthesis.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars		Sugar	Engineering	Unallocated	Eliminations	Total
Other Information						
Segment assets	**31.03.2017**	**55,525.88**	**364,029.10**	-	**(7,319.55)**	**412,235.43**
	31.03.2016	57,830.29	355,249.43	-	(23.67)	413,056.05
	01.04.2015	46,942.81	303,151.67	-	(147.11)	349,947.37
Segment liabilities	**31.03.2017**	**36,475.09**	**251,665.08**	-	**(7,319.55)**	**280,820.62**
	31.03.2016	44,095.22	260,769.19	-	(23.67)	304,840.74
	01.04.2015	32,239.49	226,830.73	-	(147.11)	258,923.11
Capital expenditure-External	**31.03.2017**	**303.82**	**8,827.37**	-	-	**9,131.19**
	31.03.2016	23.04	13,443.26	-	-	13,466.30
	01.04.2015	1,261.48	7,159.80	-	-	8,421.28
Inter-segment	**31.03.2017**	-	-	-	-	-
	31.03.2016	-	-	-	-	-
	01.04.2015	-	-	-	-	-

B. Segment Revenue by location of customers:

(₹ in lakhs)

Particulars		India	Outside India	Total
Revenue by geographical market				
External		**286,137.39**	**128,813.80**	**414,951.19**
		(322,485.56)	(148,134.09)	(470,619.65)
Carrying amount of segment assets	**31.03.2017**	**63,773.39**	**28.55**	**63,801.94**
	31.03.2016	(62,690.9)	(-)	(62,690.90)
	01.04.2015	(56,476.55)	(-)	(56,476.55)
Addition to fixed assets	**31.03.2017**	**9,087.95**	**43.24**	**9,131.19**
	31.03.2016	(13,466.30)	(-)	(13,466.30)
	01.04.2015	(8,421.28)	(-)	(8,421.28)

Note :- Previous period figures are indicated in parenthesis.

C. Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2017 - 1.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 45: Related Party Transactions

In accordance with the Accounting Standard on "Related Party Disclosures" (Ind AS-24), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

I Description and Name of Related Parties

Description of Relationship	**Name**
Holding Company	None
Entities over which Directors and their relatives can exercise significant influence	Yamuna Syndicate Limited Kamla Puri Charitable Trust Kamla Puri Charitable Foundation Blue Water Enterprises
Key Management Personnel	Mr. Aditya Puri (Managing Director) Mrs. Nina Puri (Wholetime Director) Mr. S.K. Khorana (Company Secretary) Mr. Kishore Chatnani (Chief Financial Officer)
Relatives of Key Management Personnel	Mr. Ranjit Puri (Chairman), (Father of Mr. Aditya Puri, Managing Director and Husband of Mrs. Nina Puri, Wholetime Director) Mr. Ranjit Puri (HUF)

Trust under common control

S. No.	Name of the entity in the group	Principal place of operation /Country of incorporation	Principal Activities
1	Saraswati Sugar Syndicate Ltd. Employee Provident Fund Trust	India	Company's employee provident fund trust
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
3	Uttar Pradesh Steels Employee Group Gratuity Scheme	India	Company's employee gratuity trust
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
5	The Saraswati Industrial Syndicate Ltd. Employees Group Gratuity Scheme	India	Company's employee gratuity trust
6	Saraswati Industrial Syndicate Ltd. Superannuation Scheme	India	Company's employee superannuation trust
7	Isgec John Thompson staff Provident Fund	India	Company's employee superannuation trust
8	Saraswati Sugar Mills Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
9	Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

II Related Party Transactions

(₹ in lakhs)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
a)	**Purchase of goods**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**281.55**	393.32
	—Key management personnel			
	Mr. Aditya Puri (Managing Director)		**3.71**	2.54
	—Relatives of Key management personnel			
	Mr. Ranjit Puri (Chairman)		**3.60**	2.59
		Total	**288.86**	398.45
b)	**Purchase of fixed Assets**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**5.34**	3.00
		Total	**5.34**	3.00
c)	**Rendering of services**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**33.27**	31.49
		Total	**33.27**	31.49
d)	**Services received**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**13.78**	0.67
		Total	**13.78**	0.67
e)	**Rent received**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**0.39**	0.39
		Total	**0.39**	0.39
f)	**Rent Paid**			
	—Entities over which key management personnel can exercise significant influence			
	Blue Water Enterprises		**70.68**	70.05
		Total	**70.68**	70.05
g)	**Key management personnel compensation**			
	Short term employee benefits		**3,111.81**	3,199.90
	Post employment benefits *		**30.57**	26.01
		Total	**3,142.38**	3,225.91

* The post employment benefits exclude gratuity and leave encashment which can not be separately identified from the composite amount advised by the actuary.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
h)	**Amount payable as at year end**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**34.93**	104.49
	—Key management personnel			
	Mr. Aditya Puri (Managing Director)		**1,355.40**	1,432.90
	Mrs. Nina Puri (Wholetime Director)		**1,394.13**	1,461.65
	—Relatives of Key management personnel			
	Mr. Ranjit Puri (Chairman)		**0.71**	0.43
	Mr. Ranjit Puri (HUF)		**-**	-
		Total	**2,785.17**	2,999.47
i)	**Amount receivable as at year end**			
	—Entities over which key management personnel can exercise significant influence			
	Yamuna Syndicate Limited		**25.00**	-
	Blue Water Enterprises		**9.34**	8.62
		Total	**34.34**	8.62
j)	**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 be occured in cash.			

Note 46: Capital Management

(a) The Company monitors capital using gearing ratio, which is net debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt	**35,559.51**	66,130.94	52,441.41
Less: Cash & cash equivalent	**3,569.93**	1,731.52	3,349.50
Net Debt	**31,989.58**	64,399.42	49,091.91
Total Equity	**125,364.19**	102,883.02	86,394.48
Total Equity and Net Debt	**157,353.77**	167,282.44	135,486.39
Net debt to equity plus debt ratio (Gearing Ratio)	**20%**	38%	36%

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23, 28 and 30.

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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(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 years and previous years.

(c) Dividends

(₹ in lakhs)

Particulars	Recognized in the year ending	
	March 31, 2017	March 31, 2016
Final dividend for the year ended March 31, 2016 of ₹ 10/- per equity share (March 31, 2015 ₹ 10/- per equity share)	**735.30**	735.30
Interim dividend for the year ended March 31, 2017 of ₹ 15/- per equity share (March 31, 2016 ₹ 10/- per equity share)	**1102.91**	735.30
Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended March 31, 2017 the directors have recommended the payment of a final dividend of ₹ 15/- per equity share. (March 31, 2016 ₹ 10/- per equity share)	**1102.91**	735.30

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

Note 47: Financial Instruments- Accounting Classification and Fair Value Measurement

(₹ in lakhs)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
Financial Asset									
Investments									
-Investments in equity instruments	-	**249.46**	**825.34**	-	7.79	322.50	-	6.30	195.83
-Investments in debentures or bonds	-	**12,316.28**	-	-	7,041.05	-	-	1,433.13	-
-Investments in mutual funds	-	**51,793.63**	-	-	45,681.88	-	-	32,756.31	-
-Other investments	-	**4,486.91**	-	-	2,396.64	-	-	1,300.60	-
Trade receivables	**117,903.13**	-	-	143,120.45	-	-	102,596.86	-	-
Loans	**1,607.17**	-	-	1,401.51	-	-	954.36	-	-
Cash and cash equivalents	**3,569.93**	-	-	1,731.52	-	-	3,349.50	-	-
Bank Balances	**10,602.75**	-	-	29,309.67	-	-	34,844.09	-	-
Others	**4,892.03**	-	-	3,853.05	-	-	3,696.24	-	-
Total Financial Assets	**138,575.01**	**68,846.28**	**825.34**	179,416.20	55,127.36	322.50	145,441.05	35,496.34	195.83
Financial Liabilities									
Borrowings	**36,116.86**	-	-	66,584.86	-	-	52,839.43	-	-
Trade payables	**141,665.97**	-	-	142,380.46	-	-	121,025.67	-	-
Other Financial Liabilities	**7,687.21**	-	-	5,831.45	-	-	6,728.92	-	-
Total Financial Liabilities	**185,470.04**	-	-	214,796.77	-		180,594.02	-	

* FVTPL - Fair Value Through Profit and Loss.

\# FVTOCI - Fair Value Through other Comprehensive Income.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following provides the fair value measurement hierarchy of group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

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

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ in lakhs)

Financial Assets and Liabilities measured at fair value-recurring fair value measurements at April 1, 2015	**Fair Value Measurement using**			
	Carrying Value April 1, 2015	**Quoted price in Active Market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets at fair value through profit and loss				
Investments				
-Investments in equity instruments	6.30	6.30	-	-
-Investments in debentures or bonds	1,433.13	1,433.13	-	-
-Investments in mutual funds	32,756.31	32,756.31	-	-
-Other investments	1,300.60	-	1,300.60	-
Financial Investment at FVOCI				
-Investments in equity instruments	195.83	195.83	-	-
Total Financial Assets	35,692.17	34,391.57	1,300.60	-

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at April 1, 2015	Fair Value Measurement using			
	Carrying Value April 1, 2015	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Loan to Employees	954.36	-	-	954.36
Security Deposit	1,442.40	-	-	1,442.40
Total Financial Assets	**2,396.76**	**-**	**-**	**2,396.76**
Financial Liabilities				
Borrowings	52,839.43	-	-	52,839.43
Trade payables	121,025.67	-	-	121,025.67
Other financial liabilities	6,728.92	-	-	6,728.92
Total Financial liabilities	**180,594.02**	**-**	**-**	**180,594.02**

(₹ in lakhs)

Financial Assets and Liabilities measured at fair value-recurring fair value measurements at March 31, 2016	Fair Value Measurement using			
	Carrying Value March 31, 2016	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset				
Financial Investment at FVTPL				
Investments in equity instruments	7.79	7.79	-	-
Investments in debentures or bonds	7,041.05	7,041.05	-	-
Investments in mutual funds	45,681.88	45,681.88	-	-
Other investments	2,396.64	-	2,396.64	-
Financial Investment at FVOCI				
Investments in equity instruments	322.50	322.50	-	-
Total Financial Assets	**55,449.86**	**53,053.22**	**2,396.64**	**-**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2016	Fair Value Measurement using			
	Carrying Value March 31, 2016	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Loan to Employees	1,401.51	-	-	1,401.51
Security Deposit	1,433.94	-	-	1,433.94
Total Financial Assets	**2,835.45**	**-**	**-**	**2,835.45**
Financial Liabilities				
Borrowings	66,584.86	-	-	66,584.86
Trade payables	142,380.46	-	-	142,380.46
Other financial liabilities	5,831.45	-	-	5,831.45
Total Financial liabilities	**214,796.77**	**-**	**-**	**214,796.77**

(₹ in lakhs)

Financial Assets and Liabilities measured at fair value-recurring fair value measurements at March 31, 2017	Fair Value Measurement using			
	Carrying Value March 31, 2017	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset				
Financial Investment at FVTPL				
Investments in equity instruments	249.46	249.46	-	-
Investments in debentures or bonds	12,316.28	12,316.28	-	-
Investments in mutual funds	51,793.63	51,793.63	-	-
Other investments	4,486.91	-	4,486.91	-
Financial Investment at FVOCI				
Investments in equity instruments	825.34	825.34	-	-
Total Financial Assets	**69,671.62**	**65,184.71**	**4,486.91**	**-**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Fair Value Measurement using			
	Carrying Value March 31, 2017	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Loan to Employees	1,607.17	-	-	1,607.17
Security Deposit	1,306.90	-	-	1,306.90
Total Financial Assets	**2,914.07**	**-**	**-**	**2,914.07**
Financial Liabilities				
Borrowings	36,116.86	-	-	36,116.86
Trade payables	141,665.97	-	-	141,665.97
Other financial liabilities	7,687.21	-	-	7,687.21
Total Financial liabilities	**185,470.04**	**-**	**-**	**185,470.04**

(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.

The following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2) 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. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing 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.

3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 48 : Financial Risk Management

The group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the group's operations. The group's principal financial assets include investments in marketable securities, loans, trade and other receivables, 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**. In order to minimise adverse effects on the financial performance of the group, derivative financial instruments such as forward contracts are entered into to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not for trading and speculative instrument.

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 analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

(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 .

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(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, 2017**	As at March 31, 2016	As at April 1, 2015
Variable rate borrowings	**8,916.45**	8,108.80	17,490.76
Fixed rate borrowings	**26,643.06**	58,022.14	34,950.65
Total borrowings	**35,559.51**	66,130.94	52,441.41

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

(₹ in lakhs)

Particulars	**As at March 31, 2017**			As at March 31, 2016		
	Weighted average interest rate (%)	**Balance**	**% of total loans**	Weighted average interest rate (%)	Balance	% of total loans
Loans repayable on demand (Cash Credit)	**10.23%**	**8,916.45**	**25.07%**	11.38%	8,108.80	12.26%
External Commercial Borrowings (including USD_INR Hedging Cost)	**11.20%**	**972.58**	**2.74%**	11.20%	1,492.49	2.26%
Interest rate swaps(notional principal amount)	**-**	**972.58**	**-**	-	1,492.49	-
Net exposure to cash flow interest rate risk	**-**	**8,916.45**	**-**	-	8,108.80	-

(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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
INR	**+50**	**+50**	**44.58**	**40.54**
	- 50	- 50	(44.58)	(40.54)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group operates internationally and the group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The group hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

(₹ in lakhs)

Foreign currency exposure as at March 31, 2017	USD	Euro	JPY	Others	Total
Trade Receivables	36,303.07	563.16	-	-	36,866.23
Loans and other advances	-	-	-	-	-
ECB Loans	972.58	-	-	-	972.58
Interest on ECB Loan	6.96	-	-	-	6.96
Bank balances in current accounts and term deposits accounts	998.63	3.95	-	1.41	1,003.99
Trade payables	3,563.54	439.57	2,019.47	1.07	6,023.63
Hedged Portion	40,852.49	804.36	1,928.00	1.41	43,586.26
Net Exposure to foreign currency risk (assets)	960.62	152.59	91.46	1.07	1,205.73
Foreign currency exposure as at March 31, 2016	**USD**	**Euro**	**JPY**	**Others**	**Total**
Trade Receivables	42,405.31	2,131.60	-	-	44,536.91
Loans and other advances	1,648.33	-	-	-	1,648.33
ECB Loans	1,492.49	-	-	-	1,492.49
Interest on ECB Loan	9.64	-	-	-	9.64
Bank balances in current accounts and term deposits accounts	-	-	-	-	-
Trade payables	222.91	810.86	534.60	1.39	1,569.76
Hedged Portion	43,481.83	2,274.36	470.82	-	46,227.00
Net Exposure to foreign currency risk (Liabilities)	2,296.85	668.10	63.78	1.39	3,030.13

Foreign currency sensitivity

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

(₹ in lakhs)

Particulars	2016-17		2015-16	
	1% increase	1% decrease	1% increase	1% decrease
USD	9.61	-9.61	22.97	-22.97
Euro	1.53	-1.53	6.68	-6.68
JPY	0.91	-0.91	0.64	-0.64
Others	0.01	-0.01	0.01	-0.01

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

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 sensivity is provided for the same.

II. Credit risk

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

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

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

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

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

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

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

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

Expected credit loss for trade receivable on simplified approach:

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

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
As at April 1, 2015					
Gross Carrying Amount	43,029.06	39,630.35	18,546.79	2,591.73	103,797.93
Expected Credit Loss	-	-	925.02	276.04	1,201.06
Carrying Amount (net of impairment)	43,029.06	39,630.35	17,621.77	2,315.69	102,596.87
As at March 31, 2016					
Gross Carrying Amount	80,644.82	52,674.55	5,155.03	5,502.10	143,976.51
Expected Credit Loss	-	-	234.08	621.98	856.06
Carrying Amount (net of impairment)	80,644.82	52,674.55	4,920.95	4,880.12	143,120.44
As at March 31, 2017					
Gross Carrying Amount	75,736.54	33,785.51	3,004.95	6,165.05	118,692.04
Expected Credit Loss	-	-	130.23	658.70	788.93
Carrying Amount (net of impairment)	75,736.54	33,785.51	2,874.72	5,506.34	117,903.11

The group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

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

(₹ in lakhs)

Particulars	ECL for Trade Receivables
As at April 1, 2015	(1,188.60)
Provided during the year	-
Amounts written off	-
Reversal of provisions	345.00
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 2016	(843.60)
Provided during the year	(2.62)
Amounts written off	-
Reversal of provisions	68.11
Unwinding of discounts	-
Transferred on account of demerger	-
As at March 31, 2017	**(778.11)**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

III. Liquidity Risk

Liquidity risk is defined as the risk that group will not be able to settle or meet its obligation on time or at a reasonable price. The group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

As at March 31, 2017	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	**35,559.51**	**8,916.45**	**22,941.96**	**3,701.10**	**35,559.51**
Trade payables	141,665.97	-	141,665.97	-	141,665.97
Other Liabilities	8,244.56	-	7,826.35	418.21	8,244.56
Total	**185,470.04**	**8,916.45**	**172,434.28**	**4,119.31**	**185,470.04**

(₹ in lakhs)

As at March 31, 2016	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	**66,130.94**	**8,108.80**	**49,235.02**	**8,787.12**	**66,130.94**
Trade payables	142,380.46	-	142,374.21	6.25	142,380.46
Other Liabilities	6,285.37	-	5,845.05	440.32	6,285.37
Total	**214,796.77**	**8,108.80**	**197,454.28**	**9,233.69**	**214,796.77**

(₹ in lakhs)

As at April 1, 2015	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	Total
Borrowings	**52,441.41**	**17,490.76**	**27,550.94**	**7,399.71**	**52,441.41**
Trade payables	121,025.67	-	121,019.42	6.25	121,025.67
Other Liabilities	7,126.94	-	6,892.46	234.48	7,126.94
Total	**180,594.02**	**17,490.76**	**155,462.82**	**7,640.44**	**180,594.02**

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, 2017	As at March 31, 2016	As at April 1, 2015
Expiring within one year (Bank overdraft and other facilities)	**47,686.19**	10,282.64	16,936.74

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 49 : As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information are as under :-

Sr. No.	Particulars	Description			
a)	Products covered for Cost Audit	**Ingots and Manufactured items of Engineering Machinery**		**Sugar**	
b)	Full Particulars of Cost Auditor	M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana		M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana	
c)	Filling of Cost Audit Report	**Year ended March 31, 2017**	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
	i) Due Date of Filling of Cost Audit Report	**27.09.2017**	27.09.2016	**27.09.2017**	27.09.2016
	ii) Actual Date of Filling Cost Audit Report	**Not yet due**	24.09.2016	**Not yet due**	23.09.2016

Note 50: Interest in Other Entities

Summarised financial information of subsidiaries having material non-controlling interests is as follows:-

(₹ in lakhs)

Particulars	Isgec Hitachi Zosen Limited		Isgec Titan Metal Fabricators Limited		Isgec Redecam Enviro Solutions Private Limited		Isgec Foster Wheeler Boilers Limited	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Country of Incorporation	India		India		India		India	
Assets								
Non-Current Assets	**4,941.72**	4,029.03	**7.44**	0.81	**3.94**	-	**13.84**	1.11
Current Assets	**34,067.49**	23,222.01	**934.56**	97.96	**196.56**	-	**253.45**	208.87
Total	**39,009.21**	27,251.04	**942.00**	98.77	**200.50**	-	**267.29**	209.98
Liabilities								
Non-Current Liabilities	**747.73**	1,122.02	**-**	-	**-**	-	**0.78**	-
Current Liabilities	**26,418.28**	15,549.75	**842.24**	0.58	**0.64**	-	**61.13**	5.26
Total	**27,166.01**	16,671.77	**842.24**	0.58	**0.64**	-	**61.91**	5.26
Equity	**11,843.20**	10,579.28	**99.76**	98.20	**199.87**	-	**205.38**	204.71
Percentage of ownership held by non-controlling interest	**49.00%**	49.00%	**49.00%**	49.00%	**49.00%**	-	**49.00%**	49.00%
Accumulated non controlling interest	**5,803.17**	5,183.85	**48.88**	48.12	**97.93**	-	**100.64**	100.31
Revenue	**35,728.71**	29,743.14	**49.28**	0.97	**0.38**	-	**200.68**	13.87
Net Profit/ (loss)	**1,272.22**	1,163.26	**1.57**	(1.80)	**(0.13)**	-	**0.67**	4.71
Other Comprehensive Income	**(8.28)**	(32.50)	**-**	-	**-**	-	**-**	-
Total Comprehensive Income	**1,263.94**	1,130.75	**1.57**	(1.80)	**(0.13)**	-	**0.67**	4.71
Profit/(loss) allocated to Non controlling Interests	**619.32**	554.07	**0.77**	(0.88)	**(0.07)**	-	**0.33**	2.31
Net cash inflow/(outflow) from operating activities	**(3,573.59)**	10,130.45	**(647.80)**	(3.98)	**(3.82)**	-	**(53.04)**	(5.00)
Net cash inflow/(outflow) from investing activities	**(1,455.37)**	(680.67)	**7.10**	0.97	**-**	-	**69.37**	(173.61)
Net cash inflow/(outflow) from financing activities	**5,183.94**	(9,335.56)	**545.04**	100.00	**200.00**	-	**(1.64)**	200.00
Net cash inflow/(outflow)	**154.98**	114.22	**(95.66)**	96.99	**196.18**	-	**14.69**	21.39

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 51 : First Time Adoption of Ind AS

These financial statements, for the year ended March 31,2017, are the first, the Group has prepared in accordance with Ind AS. For the periods upto and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014(Indian GAAP).

Accordingly, the Group has prepared its financial statement to comply with the Ind AS for the year ending March 31, 2017, together with the comparative date as at and for the year ended March 31, 2016. In preparing these financial statements, the Group opening balance sheet was also prepared as at April 1, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Note 51A : Exemptions and exceptions opted by the company on the date of transition:-

Ind AS 101 allows first-time adopters certain exemptions and exceptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions and exceptions:

a) Exemptions from retrospective application

Deemed Cost

Ind AS 101 permits first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .This exemption can also be used for intangible assets covered by Ind AS 38 intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The group has elected to apply this exemption for such contracts/arrangements.

Investments in Subsidiaries, joint ventures and associates

The group has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures at deemed cost as on the date of transition to Ind AS.

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the date of transition or from the specific date prior to transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. Business combinations occuring prior to date of transition have not been restated. The Group has applied same exemption for investment in Joint ventures.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair value through other comprehensive income on the basis of facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in certain equity instruments.

b) Exceptions from retrospective application

i) Classification and measurement of financial assets :-

The group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

ii) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP(after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Impairment of financial assets based on expected credit loss model;

(ii) Investment in equity instruments carried at FVTPL;

(iii) Investment in debt instruments carried at FVTPL.

ii) Non-Controlling Interests

Ind AS 101 requires entity to attribute the profit or loss and each component of other comprehensive income to owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

Consequently, the group has applied the above requirement prospectively.

Derecognistion of financial assets & financial liabilities

The Group has elected to apply the derecognition requirements for financial assets & financial liabilities in accordance with Ind AS 109 prospectively for transactions occuring on or after the date of transition to Ind AS.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 51B: Reconciliation between balance sheet and statement of profit and loss prepared under previous IGAAP and those presented under Ind AS.

(a) Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015

(₹ in lakhs)

Particulars	IGAAP As at March 31, 2015	Adjustments	Ind AS As at April 1, 2015
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	49,912.33	-	49,912.33
(b) Capital work - in - progress	1,431.10	-	1,431.10
(c) Goodwill	530.07	-	530.07
(d) Other intangible assets	4,973.02	-	4,973.02
(e) Financial assets			
(i) Investments	311.17	(114.74)	196.43
(ii) Trade receivables	124.64	(12.46)	112.18
(iii) Loans	410.28	(48.13)	362.15
(iv) Bank balances	-	-	-
(v) Others	736.18	(61.50)	674.68
(f) Deferred tax assets (net)	1,149.73	507.41	1,657.14
(g) Other non - current assets	382.76	(222.67)	160.09
	59,961.28	47.91	60,009.19
(2) Current assets			
(a) Inventories	83,978.33	-	83,978.33
(b) Financial assets			
(i) Investments	34,531.14	964.59	35,495.73
(ii) Trade receivables	103,795.14	(1,310.46)	102,484.68
(iii) Cash and cash equivalents	38,193.59	(34,844.09)	3,349.50
(iv) Other Bank Balances	-	34,844.09	34,844.09
(v) Loans	592.21	-	592.21
(vi) Others	2,128.50	893.06	3,021.56
(c) Current tax assets (net)	-	1.58	1.58
(d) Other current assets	25,864.30	306.20	26,170.50
	289,083.21	854.97	289,938.18
Total assets	**349,044.49**	**902.88**	**349,947.37**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	IGAAP As at March 31, 2015	Adjustments	Ind AS As at April 1, 2015
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	735.29	-	735.29
(b) Other equity	83,741.58	1,917.61	85,659.19
	84,476.87	1,917.61	86,394.48
(c) Minority Interest	4,648.70	(18.92)	4,629.78
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	7,375.38	24.33	7,399.71
(ii) Trade payables	6.25	-	6.25
(iii) Other financial liabilities excl. provisions	234.48	-	234.48
(b) Provisions	14,509.13	(1,551.60)	12,957.53
(c) Deferred tax liabilities (net)	1,156.12	57.02	1,213.14
(d) Other non - current liabilities	13,816.94	-	13,816.94
	37,098.30	(1,470.25)	35,628.05
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	41,228.26	-	41,228.26
(ii) Trade payables	121,168.91	(149.49)	121,019.42
(iii) Other financial liabilities excl. provisions	9,948.56	757.34	10,705.90
(b) Other current liabilities	42,408.31	557.96	42,966.27
(c) Provisions	6,837.25	(692.92)	6,144.33
(d) Current tax liabilities (net)	1,229.33	1.55	1,230.88
	222,820.62	474.44	223,295.06
Total Equity & Liabilities	**349,044.49**	**902.88**	**349,947.37**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 51C : Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016

(₹ in lakhs)

Particulars	**IGAAP As at March 31, 2016**	**Adjustments**	**Ind AS As at March 31, 2016**
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	56,270.26	0.01	56,270.27
(b) Capital work - in - progress	1,034.76	-	1,034.76
(c) Goodwill	530.07	-	530.07
(d) Other intangible assets	4,720.29	0.01	4,720.30
(e) Financial assets			
(i) Investments	311.17	11.93	323.10
(ii) Trade receivables	124.64	(12.46)	112.18
(iii) Loans	516.52	(60.07)	456.45
(iv) Bank balances	-	-	-
(v) Others	877.65	34.40	912.05
(f) Deferred tax assets (net)	1,163.17	811.91	1,975.08
(g) Other non - current assets	1,298.98	(633.41)	665.57
	66,847.51	152.32	66,999.83
(2) Current assets			
(a) Inventories	89,539.43	-	89,539.43
(b) Financial assets			
(i) Investments	52,922.29	2,204.47	55,126.76
(ii) Trade receivables	143,973.35	(965.08)	143,008.27
(iii) Cash and cash equivalents	31,041.19	(29,309.67)	1,731.52
(iv) Other Bank Balances	-	29,309.67	29,309.67
(v) Loans	943.28	1.78	945.06
(vi) Others	1,535.88	1,405.12	2,941.00
(c) Current tax assets (net)	-	6.16	6.16
(d) Other current assets	23,458.70	(10.35)	23,448.35
	343,414.12	2,642.10	346,056.22
Total assets	**410,261.63**	**2,794.42**	**413,056.05**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

(₹ in lakhs)

Particulars	IGAAP As at March 31, 2016	Adjustments	Ind AS As at March 31, 2016
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	735.29	-	735.29
(b) Other equity	98893.20	3,254.53	102,147.73
	99,628.49	3,254.53	102,883.02
(c) Minority Interest	5,360.82	(28.54)	5,332.28
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	8,684.68	102.44	8,787.12
(ii) Trade payables	6.25	-	6.25
(iii) Other financial liabilities excl. provisions	440.32	-	440.32
(b) Provisions	12,601.85	(1,280.63)	11,321.22
(c) Deferred tax liabilities (net)	625.93	55.88	681.81
(d) Other non - current liabilities	15321.86	24.78	15,346.64
	37,680.89	(1,097.53)	36,583.36
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	53,430.45	(48.09)	53,382.36
(ii) Trade payables	142,532.02	(157.81)	142,374.21
(iii) Other financial liabilities excl. provisions	9,490.27	316.24	9,806.51
(b) Other current liabilities	49,845.71	1,217.46	51,063.17
(c) Provisions	11,085.63	(667.90)	10,417.73
(d) Current tax liabilities (net)	1207.35	6.06	1,213.41
	267,591.43	665.96	268,257.39
Total Equity & Liabilities	**410,261.63**	**2,794.42**	**413,056.05**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 51D : Reconciliation to statement of profit and loss as previously reported as on March 31, 2016 under IGAAP to Ind AS

(₹ in lakhs)

Particulars				IGAAP Year ended March 31, 2016	Adjustments	Ind AS Year ended March 31, 2016
I	Revenue from operations			451,578.35	11,382.04	462,960.39
II	Other income			5,906.05	1,753.21	7,659.26
III	**Total income (I + II)**			457,484.40	13,135.25	470,619.65
IV	Expenses					
	Cost of materials consumed			104,224.16	-	104,224.16
	Purchases of stock - in - trade			192,351.82	295.98	192,647.80
	Erection and Civil Cost			29,205.52	-	29,205.52
	Changes in inventories of finished goods, stock - in - trade and work - in - progress			(8,398.49)	-	(8,398.49)
	Employee benefits expenses			30,829.38	(510.61)	30,318.77
	Finance costs			4,807.83	544.68	5,352.51
	Depreciation and amortization expenses			7,568.91	-	7,568.91
	Other expenses			70,286.52	11,036.77	81,323.29
	Total expenses (IV)			430,875.65	11,366.82	442,242.47
V	Profit / (loss) before exceptional items and tax (III-IV)			26,608.75	1,768.43	28,377.18
VI	Exceptional items			-	-	-
VII	Profit / (loss) before tax (V - VI)			26,608.75	1,768.43	28,377.18
VIII	**Tax expense**					
	(1)	Current tax		9,649.89	354.19	10,004.08
	(2)	Deferred tax		(543.63)	209.76	(333.87)
	(3)	taxes for earlier year		15.80	(15.80)	
	(4)	Mat credit entitlement		-	(338.38)	(338.38)
				9,122.06	209.77	9,331.83
IX	**Profit / (loss) for the period (VII -VIII)**			17,486.69	1,558.66	19,045.35
X	**Other comprehensive income**					
	A	(i)	Items that will not be reclassified to profit or loss			
		a)	Remeasurements of Post Employment Benefits Obligations	-	(510.61)	(510.61)
		b)	Equity Instruments through Other Comprehensive Income	-	126.67	126.67
		c)	Income tax relating to items that will not be reclassified to profit or loss	-	177.03	177.03
	B	(i)	Items that will be reclassified to profit or loss			
		a)	Change in fair value of cross currency interest rate swap	-	55.29	55.29
		b)	Reclassified to profit or loss	-	(79.72)	(79.72)
				-	(231.34)	(231.34)
XI	**Total comprehensive income for the period (IX + X)**			17,486.69	1,327.32	18,814.01

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 51E:

(a) Reconciliation of total equity as at March 31, 2016 & April 1, 2015

(₹ in lakhs)

Particulars	Notes to first time adoption	As at March 31, 2016			As at April 1, 2015		
		Retained Earning	Cash Flow Hedged Reserve	Total impact on other Equity	Retained Earning	Cash Flow Hedged Reserve	Total impact on other Equity
Total equity as per Previous GAAP (including minority interest)		**104,989.31**	**-**	**104,989.31**	**89,125.57**	**-**	**89,125.57**
Adjustments :							
Gain/(Loss) on fair valuation of investment	1	2,216.47	-	2,216.47	849.86	-	849.86
Impact of measuring derivative financial instruments at fair value	7, 9 & 10	(230.00)	(44.31)	(274.32)	(226.66)	(19.88)	(246.54)
Provision for expected credit loss	5	(767.36)	-	(767.36)	(1,112.36)	-	(1,112.36)
Discounting/Unwinding of long term warranty provision	8	1,063.54	-	1,063.54	1,359.50	-	1,359.50
Tax effects of adjustments	3	115.59	-	115.59	148.39	-	148.39
Derecognisation of provision for proposed dividend including dividend distribution tax		884.99	-	884.99	884.99	-	884.99
Others	7, 11, 12 & 13	(12.92)	-	(12.92)	14.86	-	14.86
Total Adjustments		**3,270.31**	**(44.31)**	**3,226.00**	**1,918.57**	**(19.88)**	**1,898.69**
Total Equity as per Ind AS (including minority interest)		**108,259.62**	**(44.31)**	**108,215.30**	**91,044.14**	**(19.88)**	**91,024.26**

(b) Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in lakhs)

Particulars	Notes to first time adoption	Year ended March 31, 2016
Profit after tax as per previous GAAP		**17,486.69**
Adjustments :		
Gain/(Loss) on fair valuation of investment	1	1,239.95
Impact of measuring derivative financial instruments at fair value	1, 7 & 9	(3.33)
Discounting/Unwinding of long term warranty provision	8	(295.98)
Provision for expected credit loss	5	345.00
Reclassification of actuarial gain/loss on employee defined benefit plan recognised in other comprehensive income	2	510.61
TAX effects of adjustments	3	(209.81)
Others	7, 11, 12 & 13	**(27.77)**
Total Adjustments		**1,558.68**
Profit after tax as per Ind AS		**19,045.37**
Other comprehensive income		**(231.36)**
Total comprehensive income as per Ind AS		**18,814.01**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 51F : Footnotes

1) Fair Value of Investments

Under Indian GAAP current investments are measured at the lower of cost or market price and non-current investments are measured at cost less any permanent diminution in value of investment.

Under Ind AS investments are designated as Fair Value through Other Comprehensive Income (FVOCI), Fair Value through Profit and Loss (FVTPL) and carried at amortised cost. For investment designated as FVOCI, difference between the fair value and carrying value is recognised in OCI. For investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit and loss. For investment designated at amortised cost, accrual of interest is recognised in profit and loss with which value of investment will be equal to maturity date contractual cash flows which includes solely payments of interest and principal.

2) Defined benefit liabilities

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

3) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

4) Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is presented as a part of other expenses in statement of profit and loss. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.

5) Trade receivables

Under Indian GAAP, the group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Due to ECL model, the Group impaired its trade receivable which has been eliminated against retained earnings. The impact of amount for the year ended on March 31, 2016 has been recognized in the statement of profit and loss.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

6) Dividend

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the group (usually when approved by shareholders in a general meeting) or paid.

In the case of the group, the declaration of dividend occurs after period end. Therefore, the liability for the year ended on March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 1, 2015. The proposed dividend for the year ended on March 31, 2016 recognized under Indian GAAP was reduced with a corresponding impact in the retained earnings.

7) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to statement of profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to statement of profit or loss using the effective interest method.

8) Provisions

Under Indian GAAP, the Group has accounted for provisions, including long-term provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as interest expense in P&L A/c. This led to a decrease in provision on the date of transition and which was adjusted against retained earnings.

9) Derivative instruments

The fair value of forward foreign exchange contracts is recognised under Ind AS, and was not recognised under Indian GAAP. The contracts, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instrument in fair value hedges of either expected future sales for which the group has firm commitments or expected purchases from suppliers that are highly probable. The corresponding adjustment has been recognised as a separate component in the hedge reserve. On the date of transition, cash flow hedge reserve was debited on April 1, 2015 and net movement during the year ended on March 31, 2016 was recognized in OCI and subsequently taken to cash flow reserve.

10) Cross currency interest rate swap

Under Indian GAAP, the group had initially recognised the foreign currency borrowings at the forward rate and also recognised the interest as per the terms of swap agreement. Ind AS 109 requires, when the group uses hedging instrument as part of its management of foreign currency risk associated with borrowing in foreign exchange. The group creates cash flow hedge reserve to give the effect of cross currency swap. The cash flow hedge reserve is reclassified to profit and loss, when the hedge item affects profit and loss.

11) Security Deposits

Under previous GAAP , interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS all financial Assets are required to be recognised

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased as at the date of transition to Ind AS with corresponding increase in prepaid rent.

12) Lease Equalisation Reserve

Under Ind AS expense incurred in relation to operating lease has to be charged to P&L A/c on a straight line basis over the period of lease. Accordingly, all payments to be made in future in respect of operating lease for all the lease agreements have been calculated and charged to P&L A/c on a straight line basis.

13) Government Grant

Under Ind AS when loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

Note 52 : Additional information pursuant to General Instructions for the preparation of Consolidated Financial statements as per Schedule III of the Companies Act, 2013

(₹ in lakhs)

Name of the Entity	Net assets (Total assets minus Total liabilities)		Share in profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Isgec Heavy Engineering Limited	75.18%	98,798.91	75.96%	18,863.43	-7.47%	(35.90)	74.38%	18,827.53
Subsidiaries								
Indian								
Isgec Covema Limited	0.19%	256.22	0.00%	(0.42)	0.00%	-	0.00%	(0.42)
Isgec Exports Limited	0.08%	110.54	0.02%	4.27	0.00%	-	0.02%	4.27
Isgec Engineering & Projects Limited	0.30%	398.79	0.01%	2.31	0.00%	-	0.01%	2.31
Saraswati Sugar Mills Limited	14.25%	18,722.90	18.88%	4,687.92	109.20%	524.64	20.59%	5,212.56
Freelook Software Private Limited	0.59%	779.25	0.01%	1.93	0.00%	-	0.01%	1.93
Isgec Hitachi Zosen Limited	4.60%	6,040.03	2.61%	648.83	(0.88%)	(4.22)	2.55%	644.60
Isgec Foster Wheeler Boilers Private Limited	0.08%	104.74	0.00%	0.34	0.00%	-	0.00%	0.34
Isgec Redecam Enviro Solutions Private Limited	0.08%	101.93	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Isgec Titan Metal Fabricators Private Limited	0.04%	50.88	0.00%	0.80	0.00%	-	0.00%	0.80
Minority Interests in all subsidiaries	4.60%	6,050.62	2.51%	624.41	(0.84%)	(4.06)	2.45%	620.35
Total	100%	131,414.81	100%	24,833.74	100%	480.45	100%	25,314.19

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Note 53 : Revenue expenditure on Research & Development

(₹ in lakhs)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016	Year ended April 1, 2015
Salaries & wages	**82.34**	63.12	-
Contribution to Provident & other Funds	**4.39**	12.85	-
Others	**13.19**	3.20	-
Total	**99.92**	79.17	-

Note 54 : Details of Specified Bank Notes ("SBNs") held and transacted during the period from 08th November 2016 to 30th December 2016 as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 provided in the table below:

(₹ in lakhs)

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing Cash in Hand as on 08.11.2016	**41.96**	**5.62**	**47.58**
Add: Permitted Receipts	-	62.72	62.72
Less: Permitted Payments	1.74	41.89	43.63
Less: Amount Deposited in Banks	40.22	0.01	40.23
Closing Cash in Hand as on 30.12.2016	**0.00**	**26.44**	**26.44**

Note 55(A): The case challenging the Levy Sugar Price Fixation for the season 1980-81 to 1999-2000 was decided in favour of the Company. The Company requested the Central Government to refix the levy sugar prices as directed by the Court. The Central Government has since amended the Essential Commodities Act nullifying the Court Judgement. The Company has challenged the amendment as malafide in the Hon'ble Delhi High Court. Similar challenge has been made in the Hon'ble Supreme Court by another sugar factory. The hearing of the case before the Hon'ble Supreme court is yet to take place. The case filed by us has been transferred to Hon'ble Supreme Court.

Note 55(B) : The Group and other parties challenged the levy of Local Area Development Tax under The Haryana Local Area Development Tax Act, 2000 and the Haryana Entry of Goods into The Local Areas Act, 2008 in the Hon'ble High Court of Punjab & Haryana. The Hon'ble High Court decided the matter in Company's favour, hence no liability was accounted for. Subsequently the Hon'ble Supreme Court passed an interim order, on the appeal of the State Government and directed all the assesses to file the returns under the Local Area Development Tax Act. The Group has been since filing the return. During the current year, Hon'ble Supreme court decided the matter in the favour of State and accordingly the Company has recognised the liability of ₹ 228.28 lakhs.

Note 56 : Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the group financial statements is disclosed below. The group intends to adopt these standards when it becomes effective.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2017

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The group will adopt the new standard on the required effective date. During the current year, the group performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Amendment to Ind AS 7:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The amendment is applicable to the group from April 1, 2017. The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Note 57 : Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date.

for S.S. Kothari Mehta & Co. Chartered Accountants Firm Registration No.000756N	**Sanjay Kumar** Deputy General Manager(Accounts)	**J.K. Chowdhery** Senior Vice President Internal Audit	**Kishore Chatnani** Chief Financial Officer

For and on behalf of the Board of Directors

CA. Neeraj Bansal Partner M.No.095960	**S.K. Khorana** Executive Director & Company Secretary M.No.1872	**Aditya Puri** Managing Director DIN: 00052534
Place : Noida Dated : May 29, 2017	**Vinod Kumar Nagpal** Director DIN: 00147777	**Sidharth Prasad** Director DIN: 00074194

Form AOC-1

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

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

(₹ in lakhs)

Part " A" : Subsidiaries

	Description	2016-17									2015-16							
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.	Isgec Redecam Enviro Solutions Private Ltd. *	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec Foster Wheeler Boilers Private Ltd.	Isgec Titan Metal Fabricators Private Ltd.
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	24.05.1988	29.02.1996	20.07.2000	22.03.2007	21.06.2014	21.03.2012	17.02.2015	25.06.2015
3	Reporting Period	Year Ended March 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2017	Period Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2016	Year Ended March 31, 2016	Year Ended March 31, 2016	Year Ended March 31, 2016	Year Ended March 31, 2016	Period Ended March 31, 2016	Period Ended March 31, 2016
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
5	Share Capital	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	200.00	10.00	709.99	400.00	2.47	10,000.00	200.00	100.00
6	Reserves & surplus	56.22	100.54	18,012.91	(1.21)	776.79	1,843.22	5.38	(0.24)	(0.13)	56.64	96.27	13,025.08	(3.52)	774.86	579.28	4.71	(1.80)
7	Total Assets	263.08	110.83	55,197.99	399.06	779.70	39,009.23	267.29	942.00	200.50	296.12	106.55	57,830.30	398.63	778.10	27,251.05	209.98	98.77
8	Total Liabilities	6.86	0.29	36,475.09	0.27	0.45	27,166.01	61.91	842.24	0.64	39.49	0.28	44,095.23	2.15	0.78	16,671.77	5.26	0.58
9	Investments	-	-	825.94	-	-	-	-	-	-	-	-	323.10	-	-	-		
10	Turnover * *	6.06	6.63	63,928.53	11.88	2.95	35,728.71	200.68	49.28	0.38	250.38	6.06	43,321.52	5.52	2.08	29,743.14	13.87	0.97
11	Profit/(Loss) before Taxation before OCI	(0.34)	6.09	9,080.38	4.98	2.25	1,932.82	1.38	2.24	(0.19)	(8.37)	5.62	(1,558.34)	(3.80)	1.80	1,652.17	6.82	(2.61)
12	Provision for Taxation																	
	a. Current Tax	0.18	1.82	1,312.15	2.44	0.53	317.62	0.80	0.41	-	-	1.74	-	1.07	0.56	-	3.22	-
	b. Deferred Tax	(0.10)	-	1,976.26	0.24	-	342.99	(0.08)	0.26	(0.06)	(2.59)	-	(449.71)	(0.99)	-	473.12	(1.11)	(0.81)
	c. Taxes for earlier year	-	-	-	-	(0.20)	-	-	-	-	-	-	-	-	-	15.80	-	-
13	Profit/(Loss) after Taxation	(0.42)	4.27	5,791.97	2.31	1.93	1,272.22	0.67	1.57	(0.13)	(5.78)	3.88	(1,108.63)	(3.88)	1.25	1,163.25	4.71	(1.80)
14	Other Comprehensive Income	-	-	524.64	-	-	(8.28)	-	-	-	-	-	140.38	-	-	(32.50)	-	-
15	Proposed Dividend	-	-	1,104.03	-	-	200.00	-	-	-	-	-	-	-	-	-	-	-
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%	100%	100%	100%	51%	51%	51%

* This is the first balance sheet of the company where figures reported are from the date of incorporation of the respective company till period ended March 31, 2017. Hence, no comparative figures are given .

* * Includes Other Income

Notes :

1. Names of subsidiaries which are yet to commence operations : Isgec Redecam Enviro Solutions Private Ltd.

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

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

Notes

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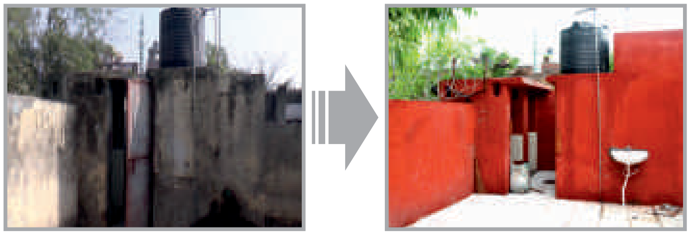
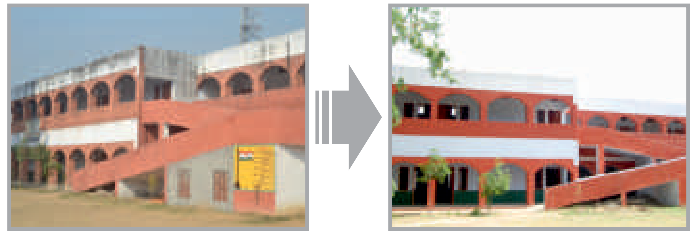
Notes

A Few CSR Activities

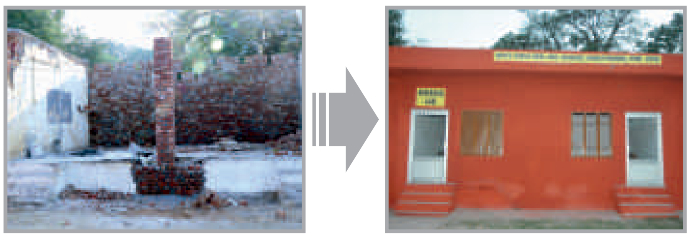
In continuation of our efforts to improve the quality of infrastructure available for students, the company identified and initiated work in 5 Government Senior Secondary Schools, all in the district of Yamunanagar that desperately needed extensive renovation. The before and after pictures shown below give you a glimpse of the work undertaken.



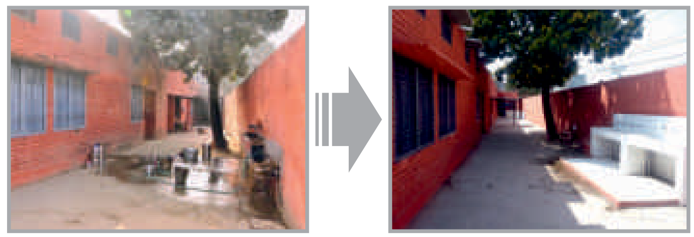
Govt. Girls Senior Secondary School, Buria, Yamunanagar



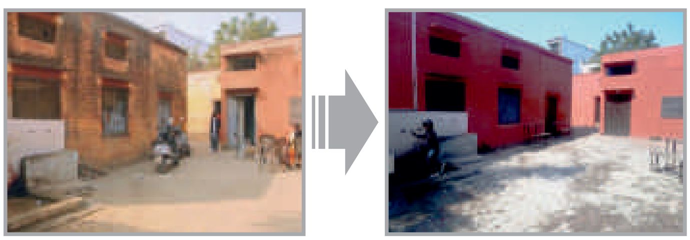
Govt. Girls Senior Secondary School, Bilaspur, Yamunanagar



Govt. Girls Senior Secondary School, Sabzi Mandi, Yamunanagar

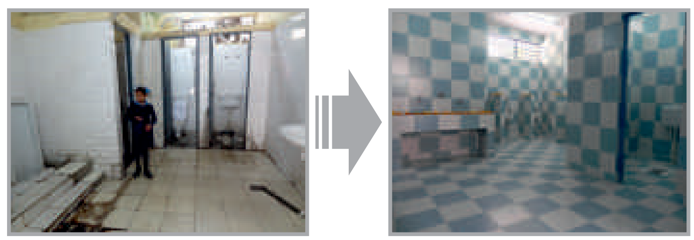


Govt. Girls Senior Secondary School, Model Town, Yamunanagar



Govt. Girls Senior Secondary School, Camp, Yamunanagar

Also, expanding on our earlier activities where we had covered 122 schools, this year an additional 243 schools were provided with 8 green writing boards each.



We were approached by the Rotary Club of Delhi Garden City to finance the renovation of the toilets at the MCD DDA Slum School at New Delhi, which were in a terrible condition. As is obvious from the pictures shown, the situation seemed appalling and the company agreed to help.

While focussing all our energies in doing what we do best, i.e. provide cutting edge engineering solutions to our customers from around the world, Isgec is committed to doing its bit to ensure that we live the life of a responsible corporate citizen.

ISGEC Connect
A CSR Initiative

ISGEC कनेक्ट
एक सी.एस.आर. पहल

Painting by Anuj, a student of Class 2 studying at the Saraswati Secondary School - run by us in our township at Yamunanagar (Haryana) India.

Joint Ventures

ISGEC Hitachi Zosen Limited

ISGEC amec foster wheeler

Isgec Foster Wheeler Boilers Pvt. Ltd.

ISGEC TITAN Metal Fabricators

ISGEC TITAN METAL FABRICATORS PVT. LTD.

ISGEC REDECAM

Isgec Redecam Enviro Solutions

Strategic Technology Partnerships

amec foster wheeler USA	APT SWEDEN	Babcock Power ENVIRONMENTAL USA	BOSCH PROJECTS SOUTH AFRICA	ENVIROTHERM GERMANY

FUEL TECH Technologies to enable clean efficient energy USA	NEM OUR ENERGY, YOUR POWER NETHERLANDS	neuson hydrotec AUSTRIA	RileyPower USA	RWL Water ISRAEL	TEi USA

ISGEC

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