



ISGEC HEAVY ENGINEERING LTD.

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

Ho-425-S

August 20, 2018

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

Dear Sir/Madam,

(Scrip Code : 533033, Scrip Id: ISGEC)

Subject: Copy of Annual Report for the financial year 2017-18 approved and adopted in the Annual General Meeting.

In Compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of Annual Report for the financial year 2017-2018 duly approved and adopted by the members in the Annual General Meeting held on August 07, 2018 as per the provision of the Companies Act, 2013.

We request you to take the above on record.

Thanking you,

Yours faithfully,  
For ISGEC Heavy Engineering Limited

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

Encl: As above.



# ANNUAL REPORT

Reports & Accounts  
for the year ended  
31<sup>st</sup> March 2018  
[www.isgec.com](http://www.isgec.com)



## ISGEC HEAVY ENGINEERING LTD.

**AP&T, SWEDEN**

**TAIM WESER, SPAIN**

**FUEL TECH INC., USA**

**RILEY POWER INC., USA**

**ENVIRO THERM GMBH, GERMANY**

**BOSCH PROJECTS, SOUTH AFRICA**

**SUMITOMO SHI FW ENERGIA OY, FINLAND**

**BABCOCK POWER ENVIRONMENTAL INC, USA**

**THERMAL ENGINEERING INTERNATIONAL (TEI), USA**

**AMEC FOSTER WHEELER NORTH AMERICA CORP, USA**

**SIEMENS HEAT TRANSFER TECHNOLOGY B.V. NETHERLANDS**

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**ANNUAL REPORT 2017-18****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

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## Board's Report

1.00 The Board hereby presents its Report for the year ended March 31, 2018.

2.00 **FINANCIAL SUMMARY:**

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017
<b>I.</b>	<b>ASSETS:</b>		
	Fixed Assets	48,475.44	47,972.85
	Other Non-current Assets	20,198.50	19,907.99
	Current Assets	2,64,204.97	2,68,554.08
	<b>Total</b>	<b>3,32,878.91</b>	<b>3,36,434.92</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES:</b>		
	Shareholders' Funds	1,22,284.30	1,12,550.24
	Non-Current Liabilities	30,271.06	22,221.05
	Current Liabilities	1,80,323.55	2,01,663.63
	<b>Total</b>	<b>3,32,878.91</b>	<b>3,36,434.92</b>

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
III.	Revenue from Operations	2,61,536.55	3,11,098.70
	Other Income	7,234.12	9,323.71
	<b>Total Revenue</b>	<b>2,68,770.67</b>	<b>3,20,422.41</b>
IV.	<b>Total Expenses</b>	<b>2,51,977.31</b>	<b>2,93,656.19</b>
V.	Profit/(Loss) Before Tax	16,793.36	26,766.22
VI.	Tax Expenses including deferred tax	4,895.36	7,902.83
VII.	Profit/(Loss) After Tax	11,898.00	18,863.39
VIII.	Other Comprehensive Income/(Expense)	115.44	(35.90)
IX.	Balance carried to Profit and Loss Account	12,013.44	18,827.49
X.	Basic/Diluted Earning per Share of ₹ 10/- each	161.81	256.54

3.00 **DIVIDEND:**

3.01 In the month of March 2018, the Company declared an Interim Dividend of ₹ 16/- per share which has been disbursed. The Board decided not to recommend final dividend in order to conserve resources.

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

4.01 The turnover as well as profitability during the year was lower than the preceding year.

4.02 The turnover was lower because many projects were put on hold due to various reasons, e.g. delayed financial closure, environmental clearance, land acquisition, etc. It was also lower because some of the major orders

were booked in the second half of the year and were not scheduled to be completed and dispatched within this financial year. This also led to increase in Work-in-Progress.

4.03 The profitability was lower because:

- (a) of increase in costs as a result of increase in raw material prices, particularly steel, since majority of the contracts booked by us were on firm price basis.
- (b) there was intense competition putting margins under pressure.
- (c) appreciation in rupee during the first 7 to 8 months of the financial year also affected our competitiveness and margins.
- (d) export turnover, on which margins are generally higher, was lower because of lesser orders.
- (e) of large number of smaller orders.

4.04 With the award of very large value orders in the last quarter of the year, the order book at the close of the year is at a record level. Accordingly, the Company expects growth, both in turnover as well as profitability, in the current year. We were also able to book some good orders for export in the latter part of the financial year.

4.05 In keeping with increasing business and sustained growth outlooks both, capacity and capability are being added at the Tubing and Piping shop at Rattangarh, as well as the Iron Foundry and Press shop at Yamunanagar.

4.06 The Company has engaged the services of M/s. Accenture during the year to optimize cost and improve operating margins. M/s. Accenture are yet to give their final report and recommendations.

4.07 The Company has embarked on a programme to use IT extensively with a view to enhancing efficiencies.

4.08 In a bid to globalise our operations and increase market share, we continued to participate in International Exhibitions and Conferences.

4.09 The Company was successful in booking first-ever orders for:-

- (a) Process Gas Waste Heat Boiler, under license from Thermal Engineering International (TEi), USA, which is a highly critical Waste Heat Recovery equipment in Process Plants, namely Oil Refineries, Petrochemicals, Chemicals and Fertilizer Plants.
- (b) Heat Recovery Steam Generators (HRSG), under license from NEM (a Siemens Group company), which is a critical equipment for Combined Cycle Power Plants.

**BOILERS:**

4.10 The Boiler Division maintained an overall market share of 52% in the area it operates in.

4.11 We booked break-through orders during the year such as the largest capacity Travelling Grate Boiler, first Waste Heat Recovery Boiler for a Refinery as well as for a Sponge Iron Plant, and our first Heat Recovery Steam Generator for a Combined Cycle Power Plant.

4.12 We took the challenge of executing orders within reduced timeframes and were successful in doing so, resulting in the booking of repeat orders from many existing customers.

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**AIR POLLUTION CONTROL EQUIPMENT:**

- 4.13 We have absorbed the Flue Gas Desulphurization (FGD) technology of Babcock Power Environmental Inc., USA and NOx Control technology of Fuel Tech Inc., USA and have qualified to submit offers for such projects, many of which are likely to come up in this year.
- 4.14 Electrostatic Precipitators supplied with technology from Envirotherm GmbH, Germany, operated satisfactorily and gained widespread acceptance in the market.

**SUGAR PLANTS & MACHINERY:**

- 4.15 The Company continues to be a leader in the market for Sugar Plants by providing the latest technology and better project execution capabilities.
- 4.16 We successfully commissioned our first Standalone Sugar Refinery in Indonesia and a large Sugar Refinery is presently under execution in Saudi Arabia. This is likely to help in securing business from the Gulf nations, as well as from European countries. We also successfully executed a Pharmaceutical Sugar Process unit in West Uttar Pradesh, which is a break-through project.
- 4.17 We continue to get fresh orders for Distilleries and several projects are under execution at the moment.
- 4.18 The Research and Development initiatives continued in the development of Vertical Continuous Pan (VCP) and Pharmaceutical Sugar Process.
- 4.19 The Company is executing contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in the Philippines. There was manifestation of latent conditions leading to cost overrun and delay in completion of the project within the contractual delivery date. The Company notified the customer that these risks were to their account under the contract. The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. The customer, on January 30, 2018, however, invoked the Bank Guarantees amounting to about ₹134 crores, terminated the contract, and also claimed damages.
- 4.20 There was a stay order from the Punjab & Haryana High Court up to April 17, 2018, thereafter, the Bank remitted the amount.
- 4.21 The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC).
- 4.22 The legal advice is that the Company has good prospects of success in proving its claims against the customer and accordingly no provision has been made in the books of accounts.

**ENGINEERING PROCUREMENT AND CONSTRUCTION (EPC) PROJECTS:**

- 4.23 The EPC Division continues to do well in Power Plant projects of up to 100 MW. Besides domestic projects, we successfully completed a project in South East Asia and have been awarded repeat orders for two similar Power Plant projects from the same business group.
- 4.24 Diversification into projects for Material Handling has led to securing large value orders. The orders include projects pertaining to Material Handling at Ports, as well as for delivering coal from Mines to Power Plants. This business is expected to do well.
- 4.25 Regarding the diversification into Construction of Factories we have successfully executed the building of a manufacturing unit for the Railways and have now secured another such contract.
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**PRESSES AND CONTRACT MANUFACTURING:**

- 4.26 Growth in the automotive domestic market continues. The Division has a record order book.
- 4.27 Division's Export order booking was good.
- 4.28 In exports, we expect to book more business from Europe, North America and South East Asia after our focused approach to target these markets and create references. The Company recently booked large orders from developed countries, which included a repeat order as well as an order for a sophisticated 'Servo' Press.
- 4.29 Order book for Standard Mechanical Presses manufactured at the Bawal Unit of the Company was at an all time record.
- 4.30 As a part of our Research and Development initiative we are embarking upon Industry 4.0 for on-time monitoring and trouble-shooting. It will help in predictive failure analysis and guidance for conducting preventive maintenance.
- 4.31 We have also successfully designed and developed a prototype monobar transfer system for automatic transfer of components which was demonstrated at the IMTEX, 2018 exhibition.
- 4.32 As for Contract Manufacturing, due to a shift in preference by the Indian Railways for electric locomotives, business for Crank Cases & Engine Blocks has been affected. We are continuing to focus on Railways for other businesses. We are also focusing on Non-Automotive Sectors such as Nuclear and Defense, involving advanced manufacturing technology.

**PROCESS EQUIPMENT:**

- 4.33 The Division continued to have a good order booking during the year owing to the fuel quality up-gradation projects being undertaken by all Oil Refineries in India, as well as, Petro-Chemical and new Super Critical Thermal Power projects.
- 4.34 Following were the highlights of the year:
- The Division's export booking was good. The total export order stood at approximately 22% of the total order booking.
  - First order booked for supply to Russia.
  - Received first-ever order for Process Gas Waste Heat Boiler (a special Shell and Tube type Heat Exchanger) for supply in India, thereby adding a new product which will be manufactured under the license of TEi, USA.
- 4.35 Considering the Government of India's focus on setting up twelve additional Nuclear Power Reactors, we have successfully qualified for most of the critical equipment of the Nuclear Islands and are bidding for two Reactors which are presently under procurement. We also stand in good stead for the bulk ordering of the balance ten Reactors in the future.

**TUBING AND PIPING:**

- 4.36 Tubing and Piping Spool fabrication shop was under-loaded during the year due to unfavourable market conditions.
- 4.37 Subsequently there was improvement in market conditions and we were successful in getting the following prestigious orders during the year:-
-

- Piping Spools for Super Critical Thermal Power projects.
- Order for Heat Recovery Steam Generator Piping.
- Captive Power Plant Piping for supply to a country in Africa.
- Order for Pressure Parts for supply to a Power Plant in Gulf/Middle East.

4.38 The shop attained accreditation to European Code for welding of metals - EN:3834, during the year. This will help us in being competitive for requirements from the European market.

**LIQUIFIED GAS CONTAINERS:**

- 4.39 The Company continues to be the leader in the world market for supply of Chlorine Ton Containers. The Company has developed Baby Cylinders (for 68 kg and 100 kg) as well as Vertical Half Ton Containers for the export and domestic markets. Production for Baby Cylinders was started during the year and these were exported to three countries.
- 4.40 Containers for the new generation of Refrigerant Gases supplied by the Division are working well. The Division is the first Company in the world to receive dual approval from DOT, USA and Petroleum and Explosive Safety Organization (PESO), India, for the Refrigerant Container model.

**IRON FOUNDRY:**

- 4.41 The Iron Foundry continues to do well and surpassed the record it established last year.
- 4.42 We could book large value orders for export from countries in Europe and Asia.

**STEEL FOUNDRY:**

- 4.43 In spite of the depressed market for Steel Castings from the Steam & Hydro Power Sector, the unit was able to book good orders for Steam Turbine Castings for supply to Europe and in India.
- 4.44 Efforts to develop specified grades such as Duplex, Super Duplex and Nickel based Alloys has started yielding results and the unit could book some good orders in these grades.
- 4.45 We achieved a major break-through with our first order for Nickel based Alloy INCONEL 625 grade Castings, which is under execution.
- 4.46 We have further developed Super Critical grade P92 material, which is expected to generate good business in the coming years.

**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) There was a profit of ₹ 4,994.76 lakh because of relatively good average sugar price realization during the Financial Year.
  - (ii) All India production during the sugar season 2017-18 is expected to be about 325 lakh tonnes, whereas consumption continues to be 250 lakh tonnes. Consequently, the sugar price has been in a more or less continuous free fall. The price today is substantially below the cost of production.
  - (iii) The higher production of sugarcane also meant higher production of by-products affecting price realization from the by-products.
-

- (iv) The Government has been trying to prop up the market, for example, by restricting the maximum quantity that Mills could sell in certain months and also announcing a compulsory export quota but none of these measures has had any lasting effect on the market. Your factory has been allotted a quota of 11813 tonnes for export which has been valued at realizable price.
- (v) Under the circumstances, there were vast arrears of sugarcane payments. As per unconfirmed press reports, the Central Government may come up with another proposal for giving relief for clearing cane arrears.

**Factory Working:**

- (vi) The Central Government has fixed Fair and Remunerative Price which is linked to recovery. However, the State government has fixed a higher price of ₹ 330/- per quintal of sugarcane. This has been ₹ 10/- more than the previous year.
- (vii) The working of the factory was satisfactory. The average crushing per day was higher than the preceding year. The statistical position is as under:

Particulars	Sugar Season (October to September)	
	2017-18	2016-17
<b>Saraswati Sugar Mills (SSM)</b>		
Date of Start of crushing operations by SSM	21.11.2017	22.11.2016
Date of Close of crushing operations by SSM	26.05.2018	30.04.2017
Cane Crush by SSM (Lakh Tonnes)	17.69	14.54
Recovery (%)	11.50	11.36
Production of SSM (Lakh Tonnes)	2.03	1.65

All India	Sugar Season (October to September)	
	*325	203
Production of Sugar (Lakh Tonnes)	*325	203
Consumption of Sugar (Lakh Tonnes)	*250	240

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

**Next Season:**

- (viii) Sugarcane availability is likely to be more or less the same as the preceding year. Since general elections are scheduled to be held in June 2019, there are chances of further increases in the prices of sugarcane.
- (ix) Unless some policy measures are taken by the Government, the financial results are not likely to be good.

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

- (i) The Company executed substantial orders during the current year and achieved a turnover and profit of ₹ 441 crores and ₹ 22 crores respectively. Due to global slowdown and increased competition in the international market, order booking was less during the year. However, during the current Financial Year, till date we have booked good orders which include orders for two new products for Fertilizer plants.

- (ii) Delivery performance during the year was good.
- (iii) During the year, the Company satisfactorily delivered critical Reactors made out of special alloy steel as well as Coke Drums as per new technology, to major oil companies in India.
- (iv) Market in India and overseas is expected to improve owing to investments in new Refinery projects, up-gradation of existing Refinery units, and revival of the old Fertilizer units at Gorakhpur, Barauni and Sindri.

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

- (i) This is the third year of its incorporation. The turnover and profit during the year was ₹ 1473.66 lakhs and ₹ 83.96 lakhs respectively against a turnover of ₹ 49.28 lakhs and profit of ₹ 1.57 lakhs last year.
- (ii) The Company has progressed well and now has a stand-alone manufacturing unit which is accredited with ASME-U stamp and ISO certifications.
- (iii) With training and knowledge sharing by Titan Metal Fabricators, USA, the Company could satisfactorily execute its orders for Heat Exchangers and other equipment made of exotic material of construction, viz. hastelloy, titanium and incoloy for various Chemical Industries such as Soda Ash, Nitric Acid, and Pulp & Paper.
- (iv) Besides these orders, the Company had a break-through by booking orders from a world renowned Process Licensor in the Fertilizer sector and a multinational company in the Oil and Gas sector. One of these orders is as per their proprietary design and very critical from the fabrication perspective. With support from both the partners, the Company has started showing good results and consultants are recommending its name to the ultimate clients. This has happened after the successful execution of a series of orders, major being for Soda Ash and Nitric Acid Plants.
- (v) The Company has a good inflow of enquiries from domestic as well as overseas markets and the Company expects 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) This is the third year of incorporation of the Company. The revenue increased to ₹ 587.70 lakh as compared to ₹ 200.69 lakh in the preceding year.
- (ii) During the year, the Company expanded its capacity by increasing manpower for executing the engineering contracts.
- (iii) Sumitomo SHI FW Energia Oy, which has taken over the CFBC portfolio of Amec Foster Wheeler Energia Oy expanded the scope of training to more areas enabling the Joint Venture to enlarge its area of operation.

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

- (i) The Company, within a short time of one year, has secured good business.
  - (ii) The Company offers solutions, viz. Bag Filters, Hybrid Filters, Electrostatic Precipitators (non
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fossil fuel), Dry Flue-Gas Desulfurization (FGD) units and Selective Catalytic Reduction (SCR) for DeNOx applications in the industrial segment.

- (iii) The Company has been able to generate enquires for Bag Filters from end users, such as Cement plants, Steel plants, Material Handling plants for Power and Minerals and Cement.
- (iv) There is an emerging market for Dry Flue-Gas Desulfurization operating on Sodium Bicarbonate (having low capital cost). Redecam has experience in this technology and, with their co-operation, the Company has been able to offer solutions in the market. The product is likely to generate some business in the coming years.
- (v) The Company has also offered Hybrid Filters (a particulate control solution combining ESP & Bag Filters) for the first time on the strength of Redecam's experience, and has been technically accepted by customers.
- (vi) The Company has expanded its marketing activities and expects to book better business in the future.

**(F) OTHER WHOLLY OWNED SUBSIDIARY COMPANIES:**

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

There was no commercial activity during the year.

- (ii) **Isgec Engineering & Projects Limited:**

There was no commercial activity during the year except letting out of property at Kasauli.

**6.00 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 Six Board Meetings were held during the year, ended March 31, 2018.

**8.00 DIRECTORS' RESPONSIBILITY STATEMENT:**

8.01 Your Directors hereby confirm that:

- (a) In the preparation of the Annual Accounts for the financial year 2017-18, 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;
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- (e) The Directors have laid down internal financial controls to be followed by the Company, and these financial controls are adequate and are operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**9.00 INDEPENDENT DIRECTORS:**

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

**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:**

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

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

17.02 In addition to the amount of ₹3.60 lakh pertaining to the previous year, the Company was required to spend a further amount of ₹489.19 lakh for the year ended March 31, 2018 i.e. an aggregate amount of ₹492.79 lakh.

17.03 The Company has spent ₹473.20 lakh as under:-

a)	On Social Projects, including expenditure in areas around Yamunanagar, Delhi	:	₹ 303.20 lakh
b)	Contribution to Prime Minister’s National Relief Fund	:	₹ 170.00 lakh
	<b>Total</b>	:	<b>₹ 473.20 lakh</b>

17.04 Balance amount of ₹19.59 lakh, 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 No change in the constitution of Board of Directors during the year. No change in Key Managerial Personnel during the year.

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

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

**21.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:**

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

**22.00 INTERNAL FINANCIAL CONTROLS:**

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

**23.00 COMPOSITION OF AUDIT COMMITTEE:**

23.01 The composition of Audit Committee is as below:-

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

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

**24.00 REPORT ON CORPORATE GOVERNANCE:**

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

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**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 SECRETARIAL STANDARDS:**

29.01 The Company complies with all applicable secretarial standards.

**30.00 PERSONNEL:**

30.01 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.

**31.00 INDUSTRIAL RELATIONS:**

31.01 Industrial relations remained peaceful.

**32.00 ACKNOWLEDGEMENTS:**

32.01 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.

32.02 With these remarks, we present the Accounts for the year ended March 31, 2018.

Vinod K. Nagpal  
Director  
DIN: 00147777

Aditya Puri  
Managing Director  
DIN: 00052534

**BY ORDER OF THE BOARD**  
Sidharth Prasad  
Director  
DIN: 00074194

Place: Noida  
Date: May 28, 2018

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**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2018**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (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 Machinery and Engineering Projects and Construction Projects	25131	63.52%

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	11,31,962		11,31,962	15.39	11,31,962		11,31,962	15.39	Nil
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	34,46,573		34,46,573	46.87	34,46,573		34,46,573	46.87	Nil
e) Banks / FI									
f) Any other									
<b>Sub-total(A)(1) :-</b>	<b>45,78,535</b>		<b>45,78,535</b>	<b>62.27</b>	<b>45,78,535</b>		<b>45,78,535</b>	<b>62.27</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total(A) (2) :-</b>									
<b>Total shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>45,78,535</b>		<b>45,78,535</b>	<b>62.27</b>	<b>45,78,535</b>		<b>45,78,535</b>	<b>62.27</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	2,18,210	600	2,18,810	2.98	6,07,423	600	6,08,023	8.27	5.29
b) Banks / FI	1,70,291	2,420	1,72,711	2.35		2,400	2,400	0.03	-2.32
c) Central Govt.	1,000		1,000	0.01	46,200		46,200	0.63	0.62
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
<b>Sub-total(B) (1) :-</b>	<b>3,89,501</b>	<b>3,020</b>	<b>3,92,521</b>	<b>5.34</b>	<b>6,53,623</b>	<b>3,000</b>	<b>6,56,623</b>	<b>8.93</b>	<b>3.59</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	4,02,096	5,001	4,07,097	5.54	8,74,118	60,751	9,34,869	12.71	7.17
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,57,495	2,27,883	9,85,378	13.40	8,09,731	1,59,352	9,69,083	13.18	-0.22
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9,19,520	69,900	9,89,420	13.45	2,13,841	-	2,13,841	2.91	-10.54
iii) Others (specify)									
<b>Sub-total(B) (2) :-</b>	<b>20,79,111</b>	<b>3,02,784</b>	<b>23,81,895</b>	<b>32.39</b>	<b>18,97,690</b>	<b>2,20,103</b>	<b>21,17,793</b>	<b>28.80</b>	<b>-3.59</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>24,68,612</b>	<b>3,05,804</b>	<b>27,74,416</b>	<b>37.73</b>	<b>25,51,313</b>	<b>2,23,103</b>	<b>27,74,416</b>	<b>37.73</b>	<b>-</b>
<b>C. Shares held by Custodian of GDR &amp; ADRs</b>									
<b>Grand Total(A+B+C)</b>	<b>70,47,147</b>	<b>3,05,804</b>	<b>73,52,951</b>	<b>100.00</b>	<b>71,29,848</b>	<b>2,23,103</b>	<b>73,52,951</b>	<b>100.00</b>	<b>-</b>

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	6,59,201	8.97	NIL	6,59,201	8.97	NIL	NIL
2	MR. ADITYA PURI	4,56,808	6.21	NIL	4,56,808	6.21	NIL	NIL
3	MRS. NINA PURI	15,953	0.22	NIL	15,953	0.22	NIL	NIL
4	THE YAMUNA SYNDICATE LTD.	32,96,526	44.83	NIL	32,96,526	44.83	NIL	NIL
5	N.A. COLD STORAGES PVT. LTD.	1,50,047	2.04	NIL	1,50,047	2.04	NIL	NIL
	<b>Total</b>	<b>45,78,535</b>	<b>62.27</b>	<b>NIL</b>	<b>45,78,535</b>	<b>62.27</b>	<b>NIL</b>	<b>NIL</b>

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			
	<b>Total</b>				

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

For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
SI. No. 1	Mr. Ranjan Tandon			No. of shares	% of total shares of the company
1	At the beginning of the year	4,38,900	5.97	4,38,900	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	4,38,900	5.97	4,38,900	5.97
SI. No. 2	<b>Shri Paras Ram Holdings Pvt. Ltd.</b>				
1	At the beginning of the year	1,97,770	2.69	195,239	2.69
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Transfer -631 07-04-2017	-0.01	1,97,159	2.68
		Transfer -1,920 12-04-2017	-0.03	195,239	2.66
		Transfer 1,545 14-04-2017	0.02	1,96,784	2.68
		Transfer -49 21-04-2017	0.00	1,96,735	2.68
		Transfer -827 28-04-2017	-0.01	1,95,908	2.66

For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Cumulative shareholding during the year	
			No. of shares	% of total shares of the company
	Transfer -326 05-05-2017	0.00	1,95,582	2.66
	Transfer -343 12-05-2017	0.00	1,95,239	2.66
	Transfer -695 19-05-2017	-0.01	1,94,544	2.65
	Transfer -1,725 02-06-2017	-0.02	1,92,819	2.62
	Transfer 10 09-06-2017	0.00	1,92,829	2.62
	Transfer 591 16-06-2017	0.01	1,93,420	2.63
	Transfer -82 23-06-2017	0.00	1,93,338	2.63
	Transfer -1,047 30-06-2017	-0.01	1,92,291	2.62
	Transfer -7 07-07-2017	0.00	1,92,284	2.62
	Transfer 60 08-07-2017	0.00	1,92,344	2.62
	Transfer -9245 21-07-2017	-0.13	183,099	2.49
	Transfer 3 22-07-2017	0.00	1,83,102	2.49
	Transfer -1,855 28-07-2017	-0.03	1,81,247	2.46
	Transfer -17 04-08-2017	0.00	1,81,230	2.46
	Transfer 67 10-08-2017	0.00	1,81,297	2.47
	Transfer -153 18-08-2017	0.00	1,81,144	2.46
	Transfer -125 25-08-2017	0.00	1,81,019	2.46
	Transfer -32 01-09-2017	0.00	1,80,987	2.46
	Transfer -10 08-09-2017	0.00	1,80,977	2.46
	Transfer -9 15-09-2017	0.00	1,80,968	2.46

For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Cumulative shareholding during the year	
			No. of shares	% of total shares of the company
	Transfer -3,036 22-09-2017	-0.04	1,77,932	2.42
	Transfer 1,305 29-09-2017	0.02	1,79,237	2.44
	Transfer 573 03-10-2017	0.01	1,79,810	2.45
	Transfer -525 06-10-2017	-0.01	1,79,285	2.44
	Transfer -20 13-10-2017	0.00	1,79,265	2.44
	Transfer 7 20-10-2017	0.00	1,79,272	2.44
	Transfer 555 27-10-2017	0.01	1,79,827	2.45
	Transfer 3 31-10-2017	0.00	1,79,830	2.45
	Transfer -20 03-11-2017	0.00	1,79,810	2.45
	Transfer -496 10-11-2017	-0.01	1,79,314	2.44
	Transfer -44 17-11-2017	0.00	1,79,270	2.44
	Transfer 12 24-11-2017	0.00	1,79,282	2.44
	Transfer -26 01-12-2017	0.00	1,79,256	2.44
	Transfer -43 08-12-2017	0.00	1,79,213	2.44
	Transfer -1,529 15-12-2017	-0.02	1,77,684	2.42
	Transfer -18 22-12-2017	0.00	1,77,666	2.42
	Transfer -87 30-12-2017	0.00	1,77,579	2.42
	Transfer 22 05-01-2018	0.00	1,77,601	2.42
	Transfer -475 12-01-2018	-0.01	1,77,126	2.41
	Transfer -41 19-01-2018	0.00	1,77,085	2.41

For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
				No. of shares	% of total shares of the company
		Transfer 238 25-01-2018	0.00	1,77,323	2.41
		Transfer -286 02-02-2018	0.00	1,77,037	2.41
		Transfer 474 09-02-2018	0.01	1,77,511	2.41
		Transfer 20 16-02-2018	0.00	1,77,531	2.41
		Transfer 5 23-02-2018	0.00	1,77,536	2.41
		Transfer 86 02-03-2018	0.00	1,77,622	2.42
		Transfer -44 16-03-2018	0.00	1,77,578	2.42
		Transfer -62 29-03-2018	0.00	1,77,516	2.41
3	At the End of the year	<b>1,77,516</b>	<b>2.41</b>	<b>1,77,516</b>	<b>2.41</b>
<b>Sl. No. 3</b>	<b>L and T Mutual Fund Trustee Ltd-L and T Infrastructure Fund</b>				
1	At the beginning of the year	<b>1,04,138</b>	<b>1.42</b>	<b>1,04,138</b>	<b>1.42</b>
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	Transfer 1,000 07-04-2017	0.01	1,05,138	1.43
		Transfer 8,826 12-04-2017	0.12	1,13,964	1.55
		Transfer -7,826 14-04-2017	-0.11	1,06,138	1.44
		Transfer 2,000 21-04-2017	0.03	1,08,138	1.47
		Transfer 1,666 28-04-2017	0.02	1,09,804	1.49
		Transfer 1,710 05-05-2017	0.02	1,11,514	1.52
		Transfer 2,450 12-05-2017	0.03	1,13,964	1.55
		Transfer 2,140 19-05-2017	0.03	1,16,104	1.58
		Transfer 3,517 02-06-2017	0.05	1,19,621	1.63

For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Cumulative shareholding during the year	
			No. of shares	% of total shares of the company
	Transfer 1,000 09-06-2017	0.01	1,20,621	1.64
	Transfer 3,000 16-06-2017	0.04	1,23,621	1.68
	Transfer 2,300 30-06-2017	0.03	1,25,921	1.71
	Transfer 500 07-07-2017	0.01	1,26,421	1.72
	Transfer -9,000 08-07-2017	-0.12	1,17,421	1.60
	Transfer 1,500 10-08-2017	0.02	1,18,921	1.62
	Transfer 6,869 18-08-2017	0.09	1,25,790	1.71
	Transfer 1,000 01-09-2017	0.01	1,26,790	1.72
	Transfer -25,892 22-09-2017	-0.35	1,00,898	1.37
	Transfer 5,871 03-10-2017	0.08	1,06,769	1.45
	Transfer -5,871 06-10-2017	-0.08	1,00,898	1.37
	Transfer 2,336 13-10-2017	0.03	1,03,234	1.40
	Transfer 129 20-10-2017	0.00	1,03,363	1.41
	Transfer 1,043 31-10-2017	0.01	1,04,406	1.42
	Transfer 2,363 03-11-2017	0.03	1,06,769	1.45
	Transfer 12,300 10-11-2017	0.17	1,19,069	1.62
	Transfer 2,200 17-11-2017	0.03	1,21,269	1.65
	Transfer 1,783 24-11-2017	0.02	1,23,052	1.67
	Transfer 18 01-12-2017	0.00	1,23,070	1.67



For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
				No. of shares	% of total shares of the company
		Transfer -10,000 30-12-2017	-0.14	1,13,070	1.54
		Transfer 6,387 12-01-2018	0.09	1,19,457	1.62
		Transfer 4,683 19-01-2018	0.06	1,24,140	1.69
		Transfer 1,000 25-01-2018	0.01	1,25,140	1.70
		Transfer 1,500 02-02-2018	0.02	1,26,640	1.72
		Transfer 2,400 09-02-2018	0.03	1,29,040	1.75
		Transfer 5,522 16-02-2018	0.08	1,34,562	1.83
		Transfer 4,989 16-03-2018	0.07	1,39,551	1.90
		Transfer 1,847 29-03-2018	0.03	1,41,398	1.92
3	At the End of the year	<b>1,41,398</b>	<b>1.92</b>	<b>1,41,398</b>	<b>1.92</b>
<b>Sl. No. 4</b>	<b>Sundaram Mutual Fund A/c Sundaram Infrastructure Advantage Fund</b>				
1	At the beginning of the year	<b>52,000</b>	<b>0.71</b>	<b>52,000</b>	<b>0.71</b>
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	Transfer 2,746 02-06-2017	0.04	54,746	0.74
		Transfer 2,623 09-06-2017	0.04	57,369	0.78
		Transfer 2,062 08-07-2017	0.03	59,431	0.81
		Transfer 13,718 21-07-2017	0.19	73,149	0.99
		Transfer 32 28-07-2017	0.00	73,181	1.00
		Transfer 1,684 25-08-2017	0.02	74,865	1.02
		Transfer 1,060 01-09-2017	0.01	75,925	1.03
		Transfer 840 08-09-2017	0.01	76,765	1.04

For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
				No. of shares	% of total shares of the company
		Transfer 3,452 15-09-2017	0.05	80,217	1.09
		Transfer 15,009 22-09-2017	0.20	95,226	1.30
		Transfer 2,318 03-10-2017	0.03	97,544	1.33
		Transfer -2,318 06-10-2017	-0.03	95,226	1.30
		Transfer 1,858 27-10-2017	0.03	97,084	1.32
		Transfer 358 31-10-2017	0.00	97,442	1.33
		Transfer 102 03-11-2017	0.00	97,544	1.33
		Transfer 157 08-12-2017	0.00	97,701	1.33
		Transfer 15,861 15-12-2017	0.22	1,13,562	1.54
3	At the End of the year	<b>1,13,562</b>	<b>1.54</b>	<b>1,13,562</b>	<b>1.54</b>
<b>Sl. No. 5</b>	<b>Goldman Sachs India Limited</b>				
1	At the beginning of the year	<b>1,02,410</b>	<b>1.39</b>	<b>1,02,410</b>	<b>1.39</b>
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	Transfer 513 07-04-2017	0.01	1,02,923	1.40
		Transfer 3,497 12-04-2017	0.05	1,06,420	1.45
		Transfer -318 14-04-2017	0.00	1,06,102	1.44
		Transfer 318 21-04-2017	0.00	1,06,420	1.45
3	At the End of the year	<b>1,06,420</b>	<b>1.45</b>	<b>1,06,420</b>	<b>1.45</b>
<b>Sl. No. 6</b>	<b>Reliance Capital Trustee Co. Ltd- A/c Reliance Small Cap Fund</b>				
1	At the beginning of the year	<b>22,000</b>	<b>0.30</b>	<b>22,000</b>	<b>0.30</b>
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.):	Transfer 42,430 22-09-2017	0.58	64,430	0.88
		Transfer 13,000 16-03-2018	0.18	77,430	1.05
3	At the End of the year	<b>77,430</b>	<b>1.05</b>	<b>77,430</b>	<b>1.05</b>
<b>Sl. No. 7</b>	<b>Mrs. Priya Khanna</b>				
1	At the beginning of the year	<b>54,320</b>	<b>0.74</b>	<b>54,320</b>	<b>0.74</b>
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	0.00	54,320	0.74
3	At the End of the year	<b>54,320</b>	<b>0.74%</b>	<b>54,320</b>	<b>0.74%</b>

For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
				No. of shares	% of total shares of the company
<b>Sl. No. 8</b>	<b>Mr. Harash Pal Sethi</b>				
1	At the beginning of the year	50,000	0.67	50,000	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.):	0	0	50,000	0.67
3	At the End of the year	50,000	0.67	50,000	0.67
<b>Sl. No. 9</b>	<b>Investor Education and Protection Fund Authority, Ministry of Corporate Affairs</b>				
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.):	Transfer 45,200 28-11-2017	0.61	45,200	0.61
3	At the End of the year	45,200	0.61	45,200	0.61
<b>Sl. No. 10</b>	<b>Mr. Onkar Nath Aggarwal</b>				
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 etc.):	0	0	43,020	0.59
3	At the End of the year	43,020	0.59	43,020	0.59

V. Shareholding of Directors and Key Managerial Personnel:

For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
				No. of shares	% of total shares of the company
<b>Sl. No. 1</b>	<b>MR. RANJIT PURI, CHAIRMAN</b>				
1	At the beginning of the year	6,59,201	8.97	6,59,201	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.):	0	0	0	0
3	At the End of the year	6,59,201	8.97	6,59,201	8.97
<b>Sl. No. 2</b>	<b>MR. ADITYA PURI, MANAGING DIRECTOR</b>				
1	At the beginning of the year	4,56,808	6.21	4,56,808	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.):	0	0	0	0
3	At the End of the year	4,56,808	6.21	4,56,808	6.21
<b>Sl. No. 3</b>	<b>MRS. NINA PURI, WHOLE-TIME DIRECTOR</b>				
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.):	0	0	0	0
3	At the End of the year	15,953	0.22	15,953	0.22
<b>Sl. No. 4</b>	<b>MR. TAHIR HASAN, DIRECTOR</b>				
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.):	0	0	0	0
3	At the End of the year	1,640	0.02	1,640	0.02

For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	Cumulative shareholding during the year	
				No. of shares	% of total shares of the company
<b>Sl. No. 5</b>	<b>MR. VINOD KUMAR SACHDEVA, DIRECTOR</b>				
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.):	0	0	0	0
3	At the End of the year	390	0.01	390	0.01
<b>Sl. No. 6</b>	<b>MR. VINOD KUMAR NAGPAL, DIRECTOR</b>				
1	At the beginning of the year	476	0.01	476	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.):	23/06/2017 Transfer -100	0.00	376	0.01
		15/09/2017 Transfer -115	0.00	261	0.004
3	At the End of the year	261	0.004	261	0.004
<b>Sl. No. 7</b>	<b>MR. ARUN KATHPALIA, DIRECTOR</b>				
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.):	0	0	0	0
3	At the End of the year	120	0.00	120	0.00
<b>Sl. No. 8</b>	<b>MR. SIDHARTH PRASAD, DIRECTOR</b>				
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
<b>Sl. No. 9</b>	<b>MR. VISHAL KIRTI KESHAV MARWAHA, DIRECTOR</b>				
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
<b>Sl. No. 10</b>	<b>MR. SUDERSHAN KUMAR KHORANA, EXECUTIVE DIRECTOR &amp; COMPANY SECRETARY</b>				
1	At the beginning of the year	1,920	0.03	1,920	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	
3	At the End of the year	1,920	0.03	1,920	0.03
<b>Sl. No. 11</b>	<b>MR. KISHORE CHATNANI, HEAD-CORPORATE ACCOUNTS &amp; TREASURY AND CHIEF FINANCIAL OFFICER</b>				
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	
3	At the End of the year	0	0	0	0



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

(₹ in Lakhs)

Sl. 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	119.93	73.52	193.45
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.18	0.19	0.37
(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			
	• Contribution to PF	5.66	4.53	10.19
	• Tax free perquisites	0.30	0.54	0.84
	<b>Total</b>	<b>126.07</b>	<b>78.78</b>	<b>204.85</b>

## 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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 at 31.03.2018**

(₹ in Lakhs)

Sr. No.	Nature of the transaction (Loans given/ Guarantee given/ Security provided/ Investments made)	Purpose for which the loan/guarantee/ security is be utilised by the recipient	Amount	
(1)	<b>Guarantees to Banks for Isgec Hitachi Zosen Limited.</b>			
	Standard Chartered Bank	Corporate Guarantee to Secure Working Capital Debt and Term Loan	9,516.01	
	State Bank of India	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	
	The Hongkong and Shanghai Banking Corporation Limited	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	
	Australia and New Zealand Banking Group Limited	Corporate Guarantee to Secure Working Capital Debt	2,500.00	
			<b>54,016.01</b>	
(2)	<b>Guarantees to Banks for Isgec Titan Metal Fabricators Pvt. Ltd.</b>			
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Debt	2,200.00	
	Kotak Mahindra Bank Limited	Corporate Guarantee to Secure Working Capital Debt	1,125.00	
			<b>3,325.00</b>	
(3)	<b>Guarantees to Banks for Isgec Redecam Enviro Solutions Pvt. Ltd.</b>			
	IDFC Bank Limited	Corporate Guarantee to Secure Working Capital Debt	2,000.00	
			<b>2,000.00</b>	
(4)	<b>Investment</b>	<b>Face Value ₹ per Share/ Unit</b>	<b>No. of Shares/ Units</b>	<b>Amount ₹ in Lakhs</b>
a)	<b>Equity Shares of Subsidiary &amp; Joint Venture Companies (At cost):</b>			
	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 Metal Fabricators Pvt. Limited - Joint Venture Company	10	510000	51.00
	Isgec Redecam Enviro Solutions Pvt. Limited - Joint Venture Company	10	1020000	102.00
b)	<b>Equity Shares of other Companies (At cost):</b>			
	Reliance Industries Limited	10	1408	3.36
	Reliance Power Limited	10	872	2.46
	Investment in Equity Portfolio Management Service "ASK India Select Portfolio" (At cost)			174.66

S. No.	Investment	Face Value ₹ per Share / Unit	No. of Shares/ Units	Value ₹ in Lakhs
c)	<b><u>Other Investments (At cost):</u></b>			
	SVC Co-operative Bank Limited	25	100	0.03
	Non Convertible Debentures of Canara Bank	1000000	50	500.00
	Non Convertible Debentures of Citicorp Finance (India) Limited NCD Series-604	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
	8.22% Daimler Financial Bonds		54	549.91
	7.55% Dewan Bonds		40	407.38
	7.80% HDFC Bonds		1	100.69
	7.92% IHFLIN Bonds		23	230.18
	8.73% LIC HF Bonds		4	40.76
d)	<b><u>Fixed Deposits with :</u></b>			
	Bajaj Finance Limited			300.00
	PNB Housing Finance Limited			1,000.00
	<b>Total :</b>			<b>24,590.85</b>
	<b>Grand Total :</b>			<b>83,931.86</b>



## Form No. AOC-2

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

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

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

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

Sr.No.	Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions 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	Wholly Owned Subsidiary Company	Purchase of Stores	1 Year	Purchase of Stores of ₹ 21.13 lakhs during the year		NIL
2	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Sale of Goods	1 Year	Sale of material of ₹ 10.25 lakhs during the year		NIL
3	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Sale of Goods	1 Year	Supply of Sugar Machinery & Equipment of ₹ 817.58 lakhs during the year		NIL
4	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 26.47 lakhs during the year		NIL
5	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Services Received	1 Year	Services received of ₹ 6.56 lakhs during the year		NIL
6	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Interest Received	1 Year	Interest received of ₹ 249.71 lakhs during the year		NIL
7	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Loan Given	1 Year	Loan of ₹ 2680.00 lakhs given during the year		NIL
8	Saraswati Sugar Mills Limited	Wholly Owned Subsidiary Company	Refund of Loan	1 Year	Loan of ₹ 9950.00 lakhs refunded by Saraswati Sugar Mills Ltd. during the year		NIL
9	ISGEC Hitachi Zosen Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Sub Lease of Plant & Machinery equipments and other movable assets.	10 Years	Sub-lease of Equipments, Plant & Machinery and other movable assets. Lease rent of ₹ 2835.00 lakhs received during the year.	13-Jan-12	NIL
10	ISGEC Hitachi Zosen Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Purchase of Raw Materials	1 Year	Purchase of Raw Materials of ₹ 302.76 lakhs during the year		NIL
11	ISGEC Hitachi Zosen Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Sale of Materials	1 Year	Sale of Materials of ₹ 56.00 lakhs during the year		NIL
12	ISGEC Hitachi Zosen Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Sale of Fixed Assets	1 Year	Sale of Fixed Assets of ₹ 15.00 lakhs during the year		NIL
13	ISGEC Hitachi Zosen Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Rendering of Services	1 Year	Rendering of services of ₹ 1556.27 lakhs during the year		NIL
14	ISGEC Hitachi Zosen Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Services Received	1 Year	Services received of ₹ 446.24 lakhs during the year		NIL
15	ISGEC Titan Metal Fabricators Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Purchase of Goods	1 Year	Purchase of Stores and Consumables of ₹ 2.36 lakhs during the year		NIL
16	ISGEC Titan Metal Fabricators Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Sale of Goods	1 Year	Sale of Materials of ₹ 22.86 lakhs during the year		NIL
17	ISGEC Titan Metal Fabricators Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 287.82 lakhs during the year		NIL
18	ISGEC Titan Metal Fabricators Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Services Received	1 Year	Services received of ₹ 52.58 lakhs during the year		NIL
19	ISGEC Titan Metal Fabricators Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Rent Received	1 Year	Rent received ₹ 23.45 lakhs during the year on lease of office building.		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:
20	ISGEC Foster Wheeler Boilers Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 293.75 lakhs during the year		NIL
21	ISGEC Redecam Enviro Solutions Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Purchase of Goods	1 Year	Purchase of Equipments of ₹ 24.30 lakhs during the year		NIL
22	ISGEC Redecam Enviro Solutions Private Limited	Subsidiary and Joint Venture Company with 51% Shareholding	Rendering of services	1 Year	Rendering of Engineering Services of ₹ 22.42 lakhs during the year		NIL
23	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 ₹ 82.23 lakhs during the year		NIL
24	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 ₹ 2.58 lakhs during the year		NIL
25	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 ₹ 11.61 lakhs during the year		NIL
26	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 ₹ 0.15 lakhs during the year		NIL
27	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 ₹ 0.40 lakhs during the year on lease of office building.		NIL
28	Isgec Engineering & Projects Limited	Wholly Owned Subsidiary Company	Rent Paid	1 Year	Rent of ₹ 8.64 lakhs paid during the year on lease of Building.	31-Oct-15	NIL
29	Bluewater Enterprises	Firm in which Director is Partner	Rent Paid	10 Years	Rent of ₹ 73.38 lakhs paid during the year on lease of Office Building	31-Jan-09	NIL
30	Mr Ranjit Puri	Chairman	Chairman	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.61 lakhs incurred during the year		NIL
31	Mr Aditya Puri	Managing Director	Managing Director	1 Year	Remuneration of ₹ 919.37 lakhs incurred during the year.		NIL
32	Mrs. Nina Puri	Wholetime Director	Wholetime Director	1 Year	Remuneration of ₹ 919.37 lakhs incurred during the year.		NIL
33	Mr. Vinod K. Nagpal	Director	Director	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.68 lakhs incurred during the year		NIL
34	Mr. Tahir Hasan	Director	Director	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.27 lakhs incurred during the year		NIL
35	Mr. Arun Kathpalia	Director	Director	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.44 lakhs incurred during the year		NIL
36	Mr. Vinod Kumar Sachdeva	Director	Director	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.61 lakhs incurred during the year		NIL
37	Mr. Sidharth Prasad	Director	Director	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.02 lakhs incurred during the year		NIL
38	Mr. Vishal Kirti Keshav Marwaha	Director	Director	1 Year	Remuneration of ₹ 0.25 lakhs and Directors sitting fee of ₹ 1.27 lakhs incurred during the year		NIL

**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 efforts continued during the year. The steps taken include:-

1. A detailed Energy Audit was conducted for Yamunanagar factory by a BEE Certified Energy Audit firm. Our work on Energy conservation was highly appreciated by them. Their recommendations on further improvements are being implemented.
2. Progress on the following energy conservation steps continued during the year:
  - (i) Replacement of lower rating air conditioners with five star air conditioners to save power consumption by 20%.
  - (ii) Replacement of conventional lights with LED lights.

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

- (i) In the last year, 350 KW Solar power plants were installed at our factories. During the current year, additional 400 KW Solar power plants have been installed at our Yamunanagar and Rattangarh plants during this year. This will provide clean energy reducing our carbon foot print further. An additional solar power plant for 350 KW is under installation.

**(c) The Capital Investment on energy conservation equipment:**

Approximately ₹ 47 lakhs.

**B. TECHNOLOGY ABSORPTION:**

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

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

**1. Boilers**

- (i) With Sumitomo SHI FW Energia Oy, Finland
  - o For Circulating Fluidized Bed Combustion (CFBC) Boilers up to 99.9 Mwe;
  - o For Oil & Gas, Shop Assembled Water Tube Packaged Boilers up to 260 Tonnes per hour;
  - o For Reheat design for CFBC Boilers up to 100 MW.
- (ii) With Amec Foster Wheeler Energia S.L.U Spain:
  - o For Pulverized Coal Fired Sub-Critical Boilers and Super-Critical Boilers (60 Mwe to 1000 Mwe);
  - o For Feed Water Heaters and Surface Condensers.
- (iii) With Siemens Heat Transfer Technology b.v. Netherlands for design, fabrication and installation of Drum type Heat Recovery Steam Generators.

**2. Sugar Machinery**

- (i) With BOSCH Projects, South Africa, for Chainless Cane Diffusers and other sugar machinery equipment.
-

3. Air Pollution Control Equipments

- (i) With Envirotherm GmbH, Germany, for manufacture of Electrostatic Precipitators (ESP) up to 1000 Mwe.
- (ii) With Fuel Tech, USA, for Selective Non-Catalytic Reduction (SNCR) for NOx reduction in various units of Thermal Power, Cement, Steel and others.
- (iii) With Babcock Power Environmental, USA, for Wet Flue Gas De-sulpharization units for reduction of Sox.

4. Cement

- (i) With Claudius Peters, Germany for Clinker Cooler packages
- (ii) With Partner Teknik, Turkey for Pyro Processing.

5. Presses

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

6. Water Treatment

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

7. Process Equipment

- (i) With TEI, USA, for Screw Plug Heat Exchanger and Process Waste Heater Boiler.
- (ii) With CB&I Lummus for design and manufacture of Helix Heat Exchangers.

8. Process Fired Heaters

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

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

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

1. Bulk Material Handling

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

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

Technology absorption from various collaboration Agreements continues. Product development in certain cases as also improvisation on the products under these agreements has also been achieved.

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

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**(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 Year, However, it entered into technical collaboration agreement as per required details given below:-

<b>a) Details of technology imported</b>	Selective Non-Catalytic Reduction (SNCR) from Fuel Tech USA, for NOx reduction in units of Thermal Power, Cement, Steel	Wet Flue Gas De-sulphurization unit from M/s. Babcock Power Environmental, USA, for reduction of SOx	Clinker Cooler packages for Cement Plants from M/s. Claudius Pelters, Germany	Pyro Processing for Cement Plants from Partner Teknik, Turkey.	Hot Stamping Presses from M/s. AP & T., Sweden	Industrial Waste Water Treatment and Desalination Plant from M/s. RWL, Israel.	Screw Plug Heat Exchanger and Process Waste Heater Boiler from M/s. TEI, USA.	Process Fired Heaters from M/s. Riley Power, USA.	Material Handling Equipment and Systems with Team Wesser Spain.
<b>(b) Year of Import</b>	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2018
<b>(c) Whether technology has been fully absorbed</b>	Yes	Yes	Not yet	Not yet	Not yet	Not yet	Yes	Not yet	Not Yet
<b>(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.</b>			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.	Yes	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 (2017-18) - Cash Basis****(Amount in ₹ Lakhs)**

- Total Foreign Exchange Earnings	69,184.93
- Total Foreign Exchange Outgo	23,384.53

**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 Swachh 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.

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 : ₹ 24,459.60 Lakhs
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 489.19 Lakhs
- 5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: ₹ 492.79 lakhs, including ₹ 3.60 Lakhs unspent amount of previous year.

(b) Amount unspent, if any: ₹ 19.59 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 implementing agency
1	Providing of 5000 nos. of Plant to Haryana State Pollution control Boards, Yamuna nagar for distribution to various agencies and school	Ensuring environmental sustainability	Districts of Yamuna nagar in Haryana	1.50	1.50	1.50	Haryana State Pollution control Boards, Yamuna naga
2	Contribution to Hockey Association of Chota Nagpur Tribals, New Delhi for development of hockey amongst tribal women	Promotion of Hockey sport, a nationally recognized Sports amongst tribal women	District Simdega in Jharkhand State	1.00	1.00	1.00	Hockey Association of Chota Nagpur Tribals, New delhi
3	Contribution to Jagadhri Yamunanagar Tennis Association for Promotion of nationally recognized Sports	Promotion of rural/nationally recognized Sports	Districts of Yamuna nagar in Haryana	1.00	1.00	1.00	Jagadhri Yamuna nagar Tennis Association
4	Provision of : Laminated Green Chalk Boards, School desk, Fans, Chairs, Bicycles & other miscellaneous furniture items for Various school	Promoting Education	Districts of Yamunanagar	31.04	31.04	31.04	Direct
5	Contribution for Addition of class rooms/ Library / Computer labs in various colleges	Promoting Education	Area of malendi, Bhainswal, kadi, Jabalpur, Silawer in the state of Uttar Pradesh	21.50	21.50	21.50	Janta Adarsh Inter College, Malendi/ K.K.G.S.S. Inter College/Vikash Kosh, L.L.R.I.T.C.Thana Bhawan / Bhawan Kosh Sarv Hitkari Kanya College / Pustkalya Janta Inter College /The Gramya Siksha Sabha Janta High school /Vikash Fund, R.D. Inter College /Sayukat Vikas Kosh , Kishan Inter College /Vikas Nidhi Jankidas Janta Inter College and Shree Dharmnath Inter College
6	Replacement of damaged part of Road Connecting NH-58 to Nara village	Rural Development Project	Nara Village, Districts Muzzafarnagar, Uttar Pardesh	15.37	15.37	15.37	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 implementing agency
7	Contribution to Family Planning Association of India Providing Sexual and Reproductive Health & Rights (SRHR) services to Poor	Promoting Health Care	District of Mumbai & Pune In Maharashtra	11.00	11.00	11.00	Family Planning Association of India (FPA)
8	Contribution for expansion of Nai Disha School & supply of equipments	Promoting Education	Nai Disha School, Kishangarh, Vasant Kunj, New Delhi	13.90	13.90	13.90	Nai Disha Educational and Cultural Society
9	Supply of 7 Nos. Of CCTV Systems to traffic Police, Haryana for installaton at Public places	Safety & Security	Vishwakarma & Kamani Chowk in the Districts of Yamuna nagar in Haryana	5.00	4.57	4.57	Direct
10	Renovation of MCD primary Schools in Delhi	Promoting Education	New Delhi	5.00	5.00	5.00	Rotary club of Delhi Garden City Charitable Trust
11.	Football coaching for EWS & under Privileged Children	Training to Promote rural Sports, nationally recognized Sports	New Delhi	3.09	3.09	3.09	India Youth Soccer Association
12	Construction / Renovation of Various schools in Kolkata	Promoting Education	District of Kolkata in the state of West Bengal	10.00	10.00	10.00	Prayatna Foundation
13	Sulabh Sochalaya at three locations in YNR & Jagadhri	Preventive Health care and Sanitation	District Jagadhri and District of Yamunanagar in Haryana	45.00	22.40	22.40	Direct
14	Civil work at Hospital	Promoting Health Care	Civil Hospital in the District of Yamunanagar	0.50	0.50	0.50	Direct
15	Contribution to college for promoting the programs on women empowerment	Promoting Education	Kurukshetra In Haryanaa	0.50	0.50	0.50	NIIT, Kurukshetra
16	Contribution to Prakash Deep Trust for imparting the free education to poor & underprivileged Children	Promoting Education	Faridabad, Haryana	5.00	5.00	5.00	Prakash Deep Trust
17	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	170.00	170.00	170.00	Prime Minister's National Relief Fund
18	Laying of interlocking Tiles in the the Road side	Beautification of National Highway NH-73 on Radaur - Saharanpur Road	Districts of Yamuna nagar in Haryana	27.67	27.67	27.67	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 implementing agency
19	Blacktopping of Village Road	Rural Development Project	Road connecting to rattangarh under the Districts of Yamuna nagar in Haryana	42.45	42.45	42.45	Direct
20	Providing dental instruments For patient prisoners in Distric Jail , Jagadhri	Health Care	Central Jail, Jagadhri in the District of Yamunanager, Haryana	1.22	1.22	1.22	Direct
21	Civil Flooring & Shed Work at Samshan Ghat, Jamu Colony	Environmental sustainability	Samshan Ghat, Jamu Colony in the District of Yamunanager	5.00	4.69	4.69	Direct
22	Painting, repairing, cleaning of Road	Beautification of Road in Yamunanagar	Vishwakarma Chowk to Hamida Nala in the District of Yamunanagar	8.65	8.65	8.65	Direct
23	Renovation of Govt. Senoir Secondary schools in Yamunanagar	Promoting Education	Districts of Yamuna nagar in Haryana	26.15	26.15	26.15	Direct
24	Stipend Paid to Apprentice selected for Training & Skill development	Promoting employment, enhancing vocational Skills	Districts of Yamunanagar in Haryana	21.05	21.05	21.05	Direct
25	Salary Paid to personnel involved in CSR Activities	Promoting CSR Activities	Districts of Yamunanagar in Haryana	23.96	23.96	23.96	Direct
	<b>TOTAL</b>			<b>496.55</b>	<b>473.20</b>	<b>473.20</b>	

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 ₹ 3.60 Lakhs for the financial year 2016-17 and ₹ 489.19 Lakhs for the financial year 2017-18 totaling to ₹ 492.79 Lakhs. An Amount of ₹ 473.20 Lakhs has been spent as detailed above. The balance minor amount of ₹ 19.59 Lakhs will be spent in current 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 ₹ 19.59 Lakhs to achieve the CSR objectives and in compliance of the CSR policy of the Company during the year.

**Aditya Puri**  
(Managing Director)

**Ranjit Puri**  
(Chairman –CSR Committee)

## 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.

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

**2. Board of Directors:**

(a) Composition and Category of Directors:

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

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

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

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

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

- May 29, 2017
- July 29, 2017
- August 14, 2017
- November 13, 2017
- February 14, 2018
- March 21, 2018

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

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

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

Sl. No.	Name of Director	Number of Shares held
01.	Mr. Vinod K. Nagpal	261
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.isgect.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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b)&(c) Composition, name of members, chairman 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, Chairman	4	4	May 29, 2017, August 14, 2017, November 13, 2017 and February 14, 2018
2.	Mr. Arun Kathpalia, Member	4		
3.	Mr. Aditya Puri, Member	4		

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

4. **Nomination and Remuneration Committee:**(a) Brief description of terms of reference:

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

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

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, Chairman	1	1	February 14, 2018
2.	Mr. Vinod Kumar Sachdeva, Member	1		
3.	Mr. Arun Kathpalia, Member	1		

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

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

(d) Performance evaluation criteria for independent directors:

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

**5. Details of remuneration paid to Directors:**

(i) Executive Directors:

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

Sl. No	Particulars	Mr. Aditya Puri Managing Director	Mrs. Nina Puri Whole Time Director	Total
(i)	Salary	60.00	60.00	120.00
(ii)	Contribution to Provident Fund, Group Gratuity Fund and Superannuation Fund	14.70	8.70	23.40
(iii)	Other Perquisites	0.40	1.29	1.69
(iv)	Commission	842.82	847.93	1690.75
	<b>Total</b>	<b>917.92</b>	<b>917.92</b>	<b>1835.84</b>

(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	25,000	1,67,829	1,92,829
02.	Mr. Tahir Hasan	25,000	1,26,732	1,51,732
03.	Mr. Ranjit Puri	25,000	1,61,732	1,86,732
04.	Mr. Arun Kathpalia	25,000	1,43,837	1,68,837
05.	Mr. Vinod Kumar Sachdeva	25,000	1,61,732	1,86,732
06.	Mr. Sidharth Prasad	25,000	1,01,732	1,26,732
07.	Mr. Vishal Kirti Keshav Marwaha	25,000	1,26,732	1,51,732
	<b>Total</b>	<b>1,75,000</b>	<b>9,90,326</b>	<b>11,65,326</b>

\* 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 2017-2018. 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:

1.

(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 08, 2015	Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar-135001, Haryana	11:00 A.M.
August 10, 2016		11:30 A.M.
July 29, 2017		11:30 A.M.

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

Yes.

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

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

(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.

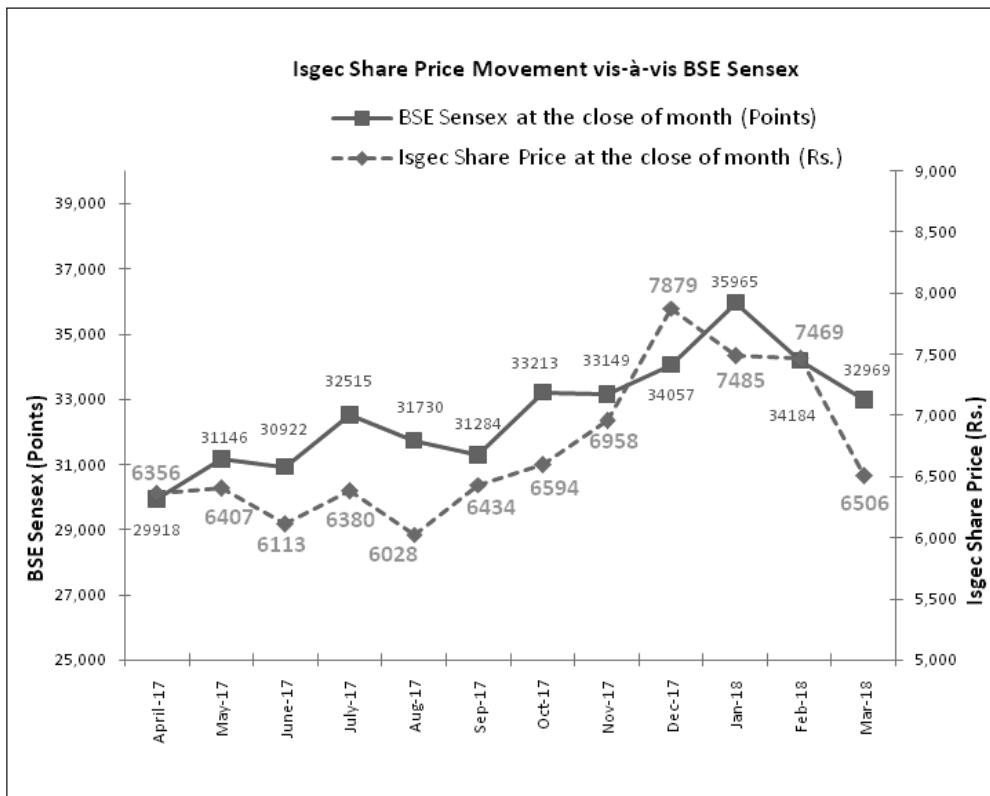
**9. General Shareholder information:**

- (a) Annual General Meeting date, time and venue:  
Annual General Meeting will be held on 7th August, 2018 at 11:30 a.m. at the office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamunanagar- 135001, Haryana.
- (b) Financial Year:  
1st April, 2017 to 31st March, 2018.
- (c) Dividend Payment Dates:  
31st March, 2018 for Interim 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 2018-19 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, 2017	6,470.00	5,950.00
May, 2017	6,597.00	5,856.00
June, 2017	6,450.00	5,877.00
July, 2017	6,600.00	5,977.10
August, 2017	6,505.00	5,718.00
September, 2017	7,048.10	5,910.10
October, 2017	7,249.00	6,099.40
November, 2017	7,199.00	6,624.95
December, 2017	8,135.00	6,820.10
January, 2018	8,400.00	7,250.00
February, 2018	8,040.00	6,790.00
March, 2018	7,474.00	6,405.50

(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, 2018:

Shareholding of Nominal Value	Shareholders		Share Amount	
	₹	Number	% of Total	(in ₹)
Up-to 5,000	10,245	99.389	82,75,860	11.255
5,001 - 10,000	23	0.223	16,99,410	2.311
10,001 - 20,000	17	0.165	26,45,380	3.598
20,001 - 30,000	4	0.039	9,68,510	1.317
30,001 - 40,000	3	0.029	10,10,400	1.374
40,001 - 50,000	4	0.039	17,98,510	2.446
50,001 - 1,00,000	3	0.029	18,62,660	2.533
1,00,001 and above	9	0.087	5,52,68,780	75.166
<b>TOTAL</b>	<b>10,308</b>	<b>100.00</b>	<b>7,35,29,510</b>	<b>100.00</b>

Shareholding pattern as on March 31, 2018:

Category	No. of Shareholders	No. of Shares held	Percentage
Promoters	5	45,78,535	62.27%
FIs, Banks & Mutual Funds	37	6,10,423	8.30%
Others (Public)	10,266	21,63,993	29.43%



(l) Dematerialization of shares and liquidity:

96.96% of share capital has been dematerialized as on March 31, 2018.

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

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

(n) Foreign exchange risk and hedging activities:

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

(o) Plant and Business locations:**A. Plant Location**

	<b>Plant Location</b>	<b>Item of Manufacture</b>	<b>Address for correspondence</b>
(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, Distt. 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:**

	<b>Name</b>	<b>Item</b>	<b>Address for correspondence</b>
(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 a 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 any complaint relates to the Managing Director or any Non-independent Director, in exceptional or appropriate cases any employee may report his concern to Mr. Vinod K. Nagpal, Chairman of the Audit Committee.

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

The Company has complied with all the mandatory.

(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>

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- (g) Disclosure of commodity price risks and commodity hedging activities.

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

The Company manages the commodity risks by a number of methods including Rate Contracts with suppliers, back to back offers from suppliers prior to booking customer's orders, bulk purchases 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 has appointed separate person to the post of chairman and managing director as follows:-

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

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

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

As required under para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare that all the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management during the year ended March 31, 2018.

**Aditya Puri**

Managing Director

(DIN: 00052534)

Dated : May 28, 2018

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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of**

**Isgec Heavy Engineering Ltd.**

We, SCV & Co LLP, Chartered Accountants, the Statutory Auditors of Isgec Heavy Engineering Ltd ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### **Managements' Responsibility**

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

### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended March 31, 2018.

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

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

**Place:** Noida  
**Date:** May 28, 2018

**Abhinav Khosla**  
Partner  
Membership No.: 087010

**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	2017-18						2016-17											
		ISGEC Covema Ltd.	ISGEC Exports Ltd.	Saraswati Sugar Mills Ltd.	ISGEC En- gineering & 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 En- gineering & 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.
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.	ISGEC Redecam Enviro Solutions Private Ltd.
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017
3	Reporting Period	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	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	Year Ended March 31, 2017
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
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	200.00
6	Reserves & surplus	46.78	105.13	20,089.10	2.03	778.57	3,772.82	101.43	83.72	(38.84)	56.22	100.54	18,012.91	(1.21)	776.79	1,843.22	5.38	(0.24)	(0.13)
7	Total Assets	253.16	116.30	39,857.80	402.27	781.41	23,462.61	403.54	756.28	399.11	263.08	110.83	55,197.99	399.06	779.70	39,009.23	267.29	942.00	200.50
8	Total Liabilities	6.38	1.16	19,038.71	0.24	0.37	9,689.80	102.11	572.56	237.95	6.86	0.29	36,475.09	0.27	0.45	27,166.01	61.91	842.24	0.64
9	Investments	-	-	522.45	-	-	-	-	-	-	-	-	825.94	-	-	-	-	-	-
10	Turnover*	6.81	7.91	81,907.43	12.11	2.87	44,193.77	632.52	1,473.66	156.77	6.06	6.63	63,928.53	11.88	2.95	35,728.71	200.68	49.28	0.38
11	Profit/(Loss) before Taxation	(11.96)	7.53	7,109.58	5.63	2.41	3,311.74	132.91	117.31	(52.88)	(0.34)	6.09	9,080.38	4.98	2.25	1,932.82	1.38	2.24	(0.19)
12	Provision for Taxation	-	2.94	2,431.03	2.17	0.63	1,154.85	38.33	33.12	-	0.18	1.82	1,312.15	2.44	0.53	317.62	0.80	0.41	-
	a. Current Tax	-	-	(316.21)	0.21	-	27.01	(1.36)	0.23	(44.18)	(0.10)	-	1,976.26	0.24	-	342.99	(0.08)	0.26	(0.06)
	b. Deferred Tax	(2.52)	-	-	0.01	-	-	-	-	-	-	-	-	-	(0.20)	-	-	-	-
	c. Taxes for earlier year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Profit/(Loss) after Taxation	(9.44)	4.60	4,994.76	3.24	1.79	2,129.88	95.94	83.96	(38.70)	(0.42)	4.27	5,791.97	2.31	1.93	1,272.22	0.67	1.57	(0.13)
14	Other Comprehensive Income	-	-	(260.99)	-	-	40.45	0.11	-	-	-	-	524.64	-	-	(8.28)	-	-	-
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%	51%

\* Includes Other Income

Notes :

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

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

## ANNEXURE 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)	177
		2) Mrs. Nina Puri (Whole Time Director)	177
(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)	-36%
		2) Mrs. Nina Puri (Whole Time Director)	-36%
		3) Mr. S K Khorana (Company Secretary)	-7.03%
		4) Mr. Kishore Chatnani (Chief Financial Officer)	22.88%

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

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

(iii)	the percentage increase in the median remuneration of employees in the financial year;	5.63%
(iv)	the number of permanent employees on the rolls of Company;	2818 as on 31st March 2018 (3011 as on 31st March 2017)
(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 2017-18 was 5.91%. Percentage decrease in Managerial Remuneration for the year is 36%.
(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.

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, 2018

(A) Top Ten Employees in terms of Remuneration drawn

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	Puri, Aditya	50	B.A. (Hons.), M.A. (CANTAB) ECON from Cambridge University (U.K.)	26	01.10.1991	Managing Director	917.92	-	-	456808	6.2126%
2	Puri, Nina	74	B.A. (Hons.), M.A., Ph. D.	48	16.02.2007	Whole-time Director	917.92	-	-	675154	9.1821%
3	Khorana, S.K.	71	B.Com. (Hons.), M.Com., F.C.A., F.C.S.	47	01.02.1975	Executive Director & Company Secretary	126.07	Jay Engineering Works Ltd.	Officer on Special duty	1920	0.0261%
4	Nigam, Vivek	60	B. Sc. (Engg.)	40	20.09.1980	Business Head - Machine Building Division	97.18	Premier Automobiles Limited	Engineer Trainee	-	-
5	Jaidka, Ravi	71	B.E. (Mech.) Hons.	49	04.07.1968	Executive Director	96.49	-	-	200	0.0027%
6	Vishwanathan, K.	60	M.E. (Mech.), PGDM	38	01.12.2010	Head - Engineering, Utility Boilers	93.86	Alstom India	Head of Engineering	-	-
7	Soneja, Praveen	59	B.E., MBA	36	13.06.2011	Head- Corporate Planning	85.78	Deeya Energy	Director	-	-
8	Luthra, V.K.	57	Post Diploma in Mechanical Engineering	36	16.01.1985	Business Head- Industrial & Green Energy Boiler Division	85.21	Bandekar Engineers	Sales Engineer	-	-
9	Jain, Suman Kumar	52	B.E. (Mech.)	31	29.02.1988	Group Head - Utility Boilers, Product Packages & New Technology Development	85.05	SIMCO, Bharatpur	Engineer	533	0.0072%
10	Marwaha, Yogesh	53	BE, PEDIM	30	23.10.2000	Head-Export Marketing	83.63	Cimmco, Delhi	Sr. Manager	-	-

**(B) Other employees employed throughout the year who were in receipt of Remuneration aggregating not less than Rs. 102,00,000/- or more per annum.**

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											

**(B) Other employee employed for part of the year and were in receipt of Remuneration aggregating Rs.8,50,000 or more 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 percentages 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.



## FORM NO. MR-3

**SECRETARIAL AUDIT REPORT****(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018)**

[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, 2018**, 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 the Company for the financial year ended on **March 31, 2018** 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 specially applicable to the Company-

1. Applicable labour laws and other rules and regulations as may be applied to this Company.
2. Gas Cylinder Rules, 2004;
3. Environment Protection Act, 1986 and other applicable rules and regulations;
4. The Water (Prevention & Control of Pollution) Act 1974 read with Water (Prevention & Control of Pollution) Rules 1975;
5. Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982; and
6. Indian Explosives Act, 1884 and applicable rules and regulation thereof.

**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 Agreement 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.

**Place:** Ghaziabad  
**Dated:** May 28, 2018

**For Ranjeet Verma & Associates  
Company Secretaries**

**Sd/-  
(CS Ranjeet Kumar Verma)  
Proprietor, C.P. No. 7463**

## 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, 2018
7. **Sector(s) that the Company is engaged in (industrial activity code-wise) :**

<u>Code *</u>	<u>Sector</u>
---------------	---------------

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 Philippines and Indonesia. 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)** : 2,68,770.67 lakhs
3. **Total profit after taxes (INR)** : 11,898.00 lakhs  
**Total Comprehensive income (INR)** : 12,013.44 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 and provision of furniture and Teaching aids and equipment
  - (c) Repairing of Roads and Beautification
  - (d) Promotion of Sports by contribution to Sports Association and bodies
  - (e) Rural Development – laying water pipelines
  - (f) Promoting employment by enhancing vocational skills
  - (g) 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	<b>Do you have a policy/ policies for.</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	<b>Has the policy being formulated in consultation with the relevant stakeholders?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	<b>Does the policy conform to any national / international standards? If yes, specify? (50 words)</b>	Company is ISO 9001 certified. Our policy conforms to all standards specified in ISO 9001. Further Company is ISO 14000 certified for environment. Company has OHSAS 18001 for Occupational Health & Safety Management System. Company also complies with Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable laws & Regulations.								
4	<b>Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?</b>	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	<b>Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?</b>	The implementations of Policies are reviewed by the Management and also by the Internal Audit Department.								
6	<b>Indicate the link for the policy to be viewed online?</b>	The mandatory Policies such as CSR Policy, Code of Conduct, Vigil Mechanism, Policy on related party transactions and Code of Practices and Procedures for fair disclosure of Un-published Price Sensitive Information (UPSI) are available on the Company's website www.isgec.com.  Other Policies such as Environment, Health, and Safety Policy, Quality Policy, and Employee related Policies are available on Company's Internal Network or circulated to the concerned.								

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes.
8	Does the Company have in-house structure to implement the policy/policies.	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address 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?

This is published as part of the Annual Report and is available on our website [www.isgrec.com](http://www.isgrec.com)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

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

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

This covers all 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

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

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

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

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

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

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

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

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

The Company strives to procure increased quantum of goods and services from vendors located near to its Plants and Project Business Offices. The Company has dedicated Vendor Development Department and Quality Teams which work to improve capabilities of vendors 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. It sells such wastes/scrap to industries who can gainfully utilize it. The Company also consumes metallic scrap in the manufacturing operations of its Iron Foundry and Alloy Steel Casting Unit.

**Principle 3**

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

Total number of employees as on 31st March 2018 were 3114.

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

Out of the total Employees 296 were on contractual basis.

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

The number of women employees as on 31st March 2018 was 41.

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

Number of permanent employees with disabilities as on 31st March 2018 were 2.#

**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?**

24%.

**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 : 33.29%
- (b) Permanent Women Employees : -
- (c) Casual/Temporary/Contractual Employees : -
- (d) Employees with Disabilities : -

# 2 persons (visually impaired) working on Contractual Role.

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**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 Good and services.- Physically Challenged employees and small vendors and contractors.

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

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

**Principle 5**

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

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

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

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

**Principle 6**

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

It extends to the Subsidiary Companies also.

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

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

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

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

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

No please.

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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 ₹ 473.20 lakhs on Corporate Social Responsibility. Details are given in the CSR Report given in Board’s Report.

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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.

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**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.

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**INDEPENDENT AUDITOR'S REPORT**

**TO**

**THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Isgec Heavy Engineering Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these standalone 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 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone 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 the standalone Ind AS financial statements.

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## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid stand-alone 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, 2018, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Emphasis of Matter**

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

## **Other Matters**

The comparative standalone Ind AS financial statements of the Company for the year ended March 31, 2017, prepared in accordance with Ind AS and included in this statement have been audited by the predecessor auditor. The report of the predecessor auditor dated May 29, 2017 on the comparative standalone Ind AS financial statements expressed an unmodified opinion.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, which forms a part of this report, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
  2. As required by Section 143 (3) of the Act, we report that:
    - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - (b) in our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books.
    - (c) the Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
    - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
    - (e) on the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.
    - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B".
  3. As required by Rule 11 of the Companies (Audit and Auditors) Rules, 2014 issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Act, in our opinion and to the best of our information and according to the explanation given to us:
-

- (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 41 to the standalone Ind AS financial statement.
- (b) The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Place:** Noida

**Date:** May 28, 2018

**(Abhinav Khosla)**  
Partner  
Membership No. 087010

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**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification as compared to the book records.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
  - (ii) Physical verification has been carried out by the Management in respect of inventory at reasonable intervals including as on March 31, 2018. In our opinion the frequency of verification is reasonable. According to the information and explanations given to us, discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been dealt with in the books of account.
  - (iii) (a) According to the information and explanations given to us and based on such tests which we considered necessary, we report that the company has granted unsecured loan to one of the subsidiary covered in the register maintained under section 189 of the Companies Act, 2013, the balance outstanding is Nil as at March 31, 2018.
  - (b) As explained to us and as per records, the principal and interest is repayable on demand.
  - (c) As per information and explanations given to us, and as per our examination of records, there is no overdue interest outstanding as on the date of Balance Sheet.
  - (iv) According to the information and explanations given to us, the Company has not granted any loan to Director in terms of Section 185 of the Companies Act, 2013. Further, Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security made.
  - (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit. Therefore, directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
  - (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  - (vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Value Added Tax, Customs Duty, Excise Duty, and any other statutory dues with the appropriate authorities. According to the information
-



and explanation given to us, no undisputed amounts payable were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Disputed Amount (₹ in lakhs)	Period to which it relates	Forum where Dispute is pending
Central Excise Act	Excise Duty	5.00	1994-95	Hon'ble High Court, Allahabad
		8.00	1994-96	Tribunal New Delhi
		8.58	2002-10	CESTAT, New Delhi
		3.57	2012-13	Assistant Commissioner, Panchkula
Service Tax	Service Tax	61.28	2011-12	Commissioner Central Excise (Panchkula)
		11.92	2011-12	Commissioner Central Excise (Panchkula)
		0.34	2013-14	Commissioner Central Excise (Panchkula)
		0.77	2015-16	Assistant Commissioner of Central Excise, U.P
		14.40	2010-14	Additional Commissioner of Central Excise, U.P
		0.33	2015-16	Superintendent, Central Excise Yamuna Nagar
		0.04	2016-17	Superintendent, Central Excise Yamuna Nagar
		563.80	2011-12	Commissioner, Custom (Appeals), Ahmedabad
Sales Tax Act	Sales Tax	9.02	1993-94	Sales Tax Tribunal, Orissa
		17.00	1995-96	Sales Tax Tribunal, Orissa
		5.00	1996-97	Sales Tax Tribunal, Orissa
		6.00	1971-73	Commissioner Sales Tax, Lucknow
		8.09	2009-14	Joint Commissioner of Sales Tax
		4.00	1987-88	Deputy Commissioner of Commercial Taxes (appeals), Kolkata
		34.00	1995-96	Deputy Commissioner of Commercial Taxes (appeals), Kolkata
		61.00	1994-95	Deputy Commissioner of Commercial Taxes (appeals), Kolkata
		0.82	2006-07	Deputy Commissioner of Commercial Taxes, Tamil Nadu
		203.63	2008-12	Additional Commissioner Appeals, U.P
		6.62	2014-15	Deputy Commissioner of Commercial Taxes, Kerala
		0.58	2016-17	Deputy Commissioner of Commercial Taxes, Kerala
		7.43	2015-16	Excise & Tax Officer, Punjab
		134.61	2013-14	Additional Commissioner Grade-2 (Appeal), Muzaffarnagar
		59.32	2009-10	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
		0.37	2010-11	Assistant Commissioner (WC) Department of Commercial Taxes, Ernakulam
21.67	2013-14	Deputy Commissioner of Sales Tax, Mumbai		
Income Tax Act	Income Tax	85.72	2014-15	Deputy Commissioner of Income Tax, Yamuna Nagar
		1.44	2013-14	Deputy Commissioner of Income Tax, Yamuna Nagar

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

- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year under review.
- (xi) According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act , 2013.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013. Further the details of the transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review . Therefore the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**(Abhinav Khosla)**  
Partner  
Membership No. 087010

**Place:** Noida

**Date:** May 28, 2018

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**ANNEDURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **Isgec Heavy Engineering Limited** ("the Company") as of March 31, 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

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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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(Abhinav Khosla)**  
Partner  
Membership No. 087010

**Place:** Noida

**Date:** May 28, 2018

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**BALANCE SHEET as at March 31, 2018**

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	3	41,046.86	42,645.44
(b) Capital work - in - progress		2,927.52	1,535.60
(c) Intangible assets	4	4,501.06	3,791.80
(d) Financial assets			
(i) Investments	5	14,281.47	14,281.47
(ii) Trade receivables	6	3,548.97	4,470.45
(iii) Loans	7	401.48	415.13
(iv) Other financial assets	8	866.23	711.63
(e) Deferred tax assets (net)	22	192.23	-
(f) Other non - current assets	9	908.12	29.32
<b>Total Non-current assets</b>		<b>68,673.94</b>	<b>67,880.84</b>
<b>(2) Current assets</b>			
(a) Inventories	10	46,609.98	40,447.82
(b) Financial assets			
(i) Investments	11	36,600.53	68,845.66
(ii) Trade receivables	12	110,772.84	107,109.26
(iii) Cash and cash equivalents	13	16,585.78	2,611.25
(iv) Bank balances other than (iii) above	14	4,114.28	9,568.49
(v) Loans	15	920.66	8,329.80
(vi) Other financial assets	16	5,414.47	3,372.27
(c) Other current assets	17	43,186.43	28,269.53
<b>Total Current assets</b>		<b>264,204.97</b>	<b>268,554.08</b>
<b>Total Assets</b>		<b>332,878.91</b>	<b>336,434.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	18	735.29	735.29
(b) Other equity	19	121,549.01	111,814.95
<b>Total equity</b>		<b>122,284.30</b>	<b>112,550.24</b>
<b>LIABILITIES</b>			
<b>(1) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	20	134.15	182.91
(b) Provisions	21	4,792.99	6,741.46
(c) Deferred tax liabilities (net)	22	-	427.39
(d) Other non - current liabilities	23	25,343.92	14,869.29
<b>Total Non-current Liabilities</b>		<b>30,271.06</b>	<b>22,221.05</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	8,227.15	10,956.23
(ii) Trade payables	25	102,524.98	131,196.85
(iii) Other financial liabilities	26	6,417.31	6,858.98
(b) Other current liabilities	27	49,097.58	38,380.41
(c) Provisions	28	13,306.84	14,041.13
(d) Current tax liabilities (net)	29	749.69	230.03
<b>Total Current Liabilities</b>		<b>180,323.55</b>	<b>201,663.63</b>
<b>Total Equity &amp; Liabilities</b>		<b>332,878.91</b>	<b>336,434.92</b>

The accompanying notes from 1 to 54 form an integral part of the financial statements

**As per our report of even date.**

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

**Sanjay Kumar**  
Deputy General  
Manager(Accounts)

**J.K. Chowdhery**  
Head Internal Audit

**Kishore Chatnani**  
Chief Financial Officer

**For and on behalf of the Board of Directors**

**CA. Abhinav Khosla**  
Partner  
M.No. 087010

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

**Aditya Puri**  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

**Vinod Kumar Nagpal**  
Director  
DIN: 00147777

**Sidharth Prasad**  
Director  
DIN: 00074194

## STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>I</b> Revenue from operations	30	261,536.55	311,098.70
<b>II</b> Other income	31	7,234.12	9,323.71
<b>III</b> Total income (I + II)		268,770.67	320,422.41
<b>IV</b> Expenses			
Cost of materials consumed	32	53,498.97	42,726.13
Purchase of stock-in-trade	33	72,762.77	117,874.54
Excise duty		1,554.97	7,945.07
Erection & civil cost		32,412.43	37,805.86
Changes in inventories of finished goods, stock - in - trade and work - in - progress	34	(2,680.44)	(4,869.33)
Employee benefits expense	35	27,780.74	26,784.46
Finance costs	36	711.89	2,079.78
Depreciation and amortization expense	37	6,715.23	6,382.30
Other expenses	38	59,220.75	56,927.38
<b>Total expenses (IV)</b>		<b>251,977.31</b>	<b>293,656.19</b>
<b>V</b> Profit before tax (III - IV)		16,793.36	26,766.22
<b>VI</b> Tax expense	39		
(1) Current tax		5,576.99	8,138.25
(2) Deferred tax		(681.63)	(235.42)
<b>Total tax expenses</b>		<b>4,895.36</b>	<b>7,902.83</b>
<b>VII</b> Profit for the year (V - VI)		11,898.00	18,863.39
<b>VIII</b> Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of post employment benefit obligations		177.45	(54.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(62.01)	19.00
<b>Total other comprehensive income</b>		<b>115.44</b>	<b>(35.90)</b>
<b>IX</b> Total comprehensive income (VII + VIII)		12,013.44	18,827.49
<b>X</b> Earnings per equity share (nominal value of ₹ 10/- each)	40		
Basic		161.81	256.54
Diluted		161.81	256.54

The accompanying notes from 1 to 54 form an integral part of the financial statements

## As per our report of even date.

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

Sanjay Kumar  
Deputy General  
Manager(Accounts)

J.K. Chowdhery  
Head Internal Audit

Kishore Chatnani  
Chief Financial Officer

## For and on behalf of the Board of Directors

CA. Abhinav Khosla  
Partner  
M.No. 087010

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

Aditya Puri  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

Vinod Kumar Nagpal  
Director  
DIN: 00147777

Sidharth Prasad  
Director  
DIN: 00074194

**CASH FLOW STATEMENT for the year ended March 31, 2018**

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>16,793.36</b>	<b>26,766.22</b>
<b>Adjustments for :</b>		
Depreciation and amortisation of property, plant and equipment	6,715.23	6,382.30
(Gain) / Loss on disposal of property, plant and equipment	(78.69)	(35.39)
Debts/Advances write off	-	1.20
Liability no longer required written back	(608.82)	(836.41)
Finance Income	(1,442.54)	(2,715.74)
Finance costs	711.89	2,079.78
Income From investment-Dividends	(2,311.98)	(1,106.12)
Fair value of financial instrument (investment)	(1,928.57)	(1,349.26)
Provision for warranty	(295.37)	540.52
<b>Operating profit before working capital adjustments</b>	<b>17,554.51</b>	<b>29,727.10</b>
<b>Working capital adjustments</b>		
(Increase) /Decrease in trade receivables	(2,742.10)	27,443.07
(Increase) /Decrease in other receivables	(5,308.54)	(24,827.19)
(Increase) /Decrease in inventories	(6,162.16)	(10,128.74)
Increase / (Decrease) in trade and other payables	(7,382.74)	156.66
Increase / (Decrease) in payables and provisions	(2,209.94)	79.87
<b>Cash generated from operations</b>	<b>(6,250.97)</b>	<b>22,450.77</b>
Income Tax paid (net of refund)	(5,057.33)	(6,942.86)
<b>Net cash from operating activities</b>	<b>(11,308.30)</b>	<b>15,507.91</b>
<b>B Investing activities</b>		
Proceeds from sale of property, plant and equipment	253.95	92.76
Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(7,393.09)	(7,219.48)
Sale / (Purchase) of equity shares / mutual funds	34,173.70	(13,845.92)
Interest received	1,635.58	1,599.01
Dividend received	2,311.98	1,106.11
<b>Net cash flow from / (used in) investing activities</b>	<b>30,982.11</b>	<b>(18,267.52)</b>

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>C Financing activities</b>		
Dividend paid on equity shares	(2,245.74)	(948.26)
Dividend Tax paid	-	(149.69)
Finance cost - long term / short term	(724.46)	(2,152.10)
Repayment of borrowings	(2,729.08)	(20,343.10)
<b>Net cash flow from / (used in) financing activities</b>	<b>(5,699.28)</b>	<b>(23,593.15)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>13,974.53</b>	<b>(26,352.76)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,611.25</b>	<b>28,964.01</b>
Cash and cash equivalents at the end of the year	16,585.78	2,611.25
<b>Components of cash and cash equivalents</b>		
Cash, Cheques & Drafts on hand	40.76	31.78
Balance with Scheduled Banks	1,845.02	2,579.47
Bank term deposits	14,700.00	-
Cash and cash equivalents	16,585.78	2,611.25

**Notes:**

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

(₹ in lakhs)

Particulars	Short-term borrowing
Opening balance as on April 1, 2017	10,956.23
Non-cash changes due to	
- Interest expense	-
- Others	-
Cash flows during the year	(2,729.08)
<b>Closing balance as on March 31, 2018</b>	<b>8,227.15</b>

- Figures in brackets indicate cash outgo
- 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 C V & Co. LLP  
Chartered Accountants  
Firm Regn. No.000235N / N500089

Sanjay Kumar  
Deputy General  
Manager(Accounts)

J.K. Chowdhery  
Head Internal Audit

Kishore Chatnani  
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla  
Partner  
M.No. 087010

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

Aditya Puri  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

Vinod Kumar Nagpal  
Director  
DIN: 00147777

Sidharth Prasad  
Director  
DIN: 00074194



## STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2018

### A. Equity Share Capital

(₹ in lakhs)

As at April 1, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
735.29	-	735.29	-	735.29

### B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus					Items of other comprehensive income (remeasurement of post employment benefit obligation)	Total
	Capital reserve	Securities premium account	Capital redemption reserve	General reserve	Retained earnings		
<b>Balance as at April 1, 2016</b>	0.01	450.22	3.24	17,439.54	77,082.34	-	94,975.35
Profit for the year	-	-	-	-	18,863.39	-	18,863.39
Other comprehensive income	-	-	-	-	-	(35.90)	(35.90)
Dividend paid for the year ended March, 2016 (including dividend distribution tax)	-	-	-	-	(884.98)	-	(884.98)
Interim dividend paid (including dividend distribution tax)	-	-	-	-	(1,102.91)	-	(1,102.91)
<b>Balance as at March 31, 2017</b>	0.01	450.22	3.24	17,439.54	93,957.84	(35.90)	111,814.95
Profit for the year	-	-	-	-	11,898.00	-	11,898.00
Other comprehensive income	-	-	-	-	-	115.44	115.44
Dividend paid for the year ended March, 2017 (including dividend distribution tax)	-	-	-	-	(1,102.91)	-	(1,102.91)
Interim dividend paid (including dividend distribution tax)	-	-	-	-	(1,176.47)	-	(1,176.47)
<b>Balance as at March 31, 2018</b>	0.01	450.22	3.24	17,439.54	103,576.46	79.54	121,549.01

As per our report of even date.

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

Sanjay Kumar  
Deputy General  
Manager(Accounts)

J.K. Chowdhery  
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For and on behalf of the Board of Directors

CA. Abhinav Khosla  
Partner  
M.No. 087010

Place : Noida  
Dated : May 28, 2018

S.K. Khorana  
Executive Director & Company Secretary  
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Vinod Kumar Nagpal  
Director  
DIN: 00147777

Aditya Puri  
Managing Director  
DIN: 00052534

Sidharth Prasad  
Director  
DIN: 00074194

## Notes to the Standalone Financial Statements

### 1. Corporate Information

Isgec Heavy Engineering Limited (the “Company”) is a public limited company incorporated and domiciled in India, whose shares are 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 and Statement of Compliance

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

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

The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. The financial statements were authorized for issue by the Company’s Board of Directors on May 28, 2018.

#### 2.2 Use of Estimates

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

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

Note 35: Provision for employee benefits

Note 21.1& 21.2: Provision for warranty

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## Notes to the Standalone Financial Statements

### 2.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### 2.4 Revenue Recognition

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, recovery of the consideration is probable and no significant uncertainty exists to its realisation or collection thereof.

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 transfer of significant risks and rewards of ownership and effective control to the buyer. 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 presented gross of excise duty and net of Goods and Services Tax (GST), Value Added Tax (VAT)/ Sales Tax, wherever applicable.

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## Notes to the Standalone Financial Statements

### Revenue from Construction Contracts

Contract Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the government.

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. Stage of completion of each contract is determined by survey of work completed.

Under the percentage of completion method, contract revenue is recognised as revenue in the statement of profit and loss in the accounting periods in which the work is performed. Contract costs are usually recognised as an expense in the statement of profit and loss in the accounting periods in which the work to which they relate is performed.

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

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

### Other Income

- (i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR). Effective Interest Rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (ii) Insurance Claims, export incentives, escalation, etc. are accounted for as and when the estimated amounts recoverable can be reasonably determined as being acceptable to the concerned authorities/parties.

### Rental Income

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

### Dividend

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

## 2.5 Inventories

**Raw materials, Stores & Spares:** are valued at lower of weighted average cost and net realisable value. However, items held for use in the production are not valued below cost if the finished goods in which these

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## Notes to the Standalone Financial Statements

will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

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

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

### 2.6 Property, Plant & Equipment

#### Recognition

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

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

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

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

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

#### De-recognition

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

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

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## Notes to the Standalone Financial Statements

### 2.7 Intangible Assets

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

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

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

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

### 2.8 Depreciation and Amortization

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

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

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

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

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

### 2.9 Impairment of Non-Financial Assets

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

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

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

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## Notes to the Standalone Financial Statements

### 2.10 Employee Benefits

#### (i) Provident Fund

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

#### (ii) Gratuity

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

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

#### (iii) Leave Encashment

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

#### (iv) Retirement Benefits

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

#### (v) Pension

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

#### (vi) Superannuation Benefit

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

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## Notes to the Standalone Financial Statements

### (vii) Other Short Term Benefits

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

### 2.11 Leases

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

#### Where the Company is the lessee

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

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

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

#### Where the Company is the lessor

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

### 2.12 Taxes

#### Current income tax

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

#### Deferred Tax

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

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## Notes to the Standalone Financial Statements

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

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

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

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

Deferred tax relating to items recognized in Other Comprehensive Income is recognized Other Comprehensive Income.

### 2.13 Borrowing Cost

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

### 2.14 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

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## Notes to the Standalone Financial Statements

### 2.15 Earning Per Share

Basic earning per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

### 2.16 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 classified in three broad categories:

##### A. Non-derivative financial instruments

###### (i) Debt instrument carried at amortized cost

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

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

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

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

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

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## Notes to the Standalone Financial Statements

### (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.

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## Notes to the Standalone Financial Statements

### 2.17 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.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

Amendment to Ind AS 7: Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of these standalone financial statement to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from the financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the standalone financial statements.

### 2.18 Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

### 2.19 Impairment of Financial Assets

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

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

### 2.20 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.

### 2.21 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.

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## Notes to the Standalone Financial Statements

### iii. Exchange differences

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets & 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.

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## Notes to the Standalone Financial Statements

### Note 3: Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
<b>Gross carrying value</b>								
As at April 1, 2016	9,615.87	2,785.85	20,514.77	41,253.42	1764.64	1426.82	3985.87	81,347.24
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	21,420.30	46,103.80	1,787.84	1,511.51	4,343.80	87,568.97
Additions	65.26	-	377.95	3,141.33	168.42	306.24	135.47	4,194.67
Disposals	-	-	13.85	561.93	35.46	410.23	48.91	1,070.38
<b>As at March 31, 2018</b>	<b>9,681.13</b>	<b>2,785.85</b>	<b>21,784.40</b>	<b>48,683.20</b>	<b>1,920.80</b>	<b>1,407.52</b>	<b>4,430.36</b>	<b>90,693.26</b>
<b>Accumulated depreciation</b>								
As at April 1, 2016	-	642.65	8436.92	25818.88	1009.44	957.98	3154.84	40,020.71
Charge for the year	-	72.94	1139.70	3362.41	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	9,576.42	29,020.60	1,094.73	967.83	3,548.36	44,923.53
Charge for the year	-	72.83	1,120.87	3,474.56	511.63	188.35	249.75	5,617.99
Disposals	-	-	8.91	514.97	31.49	294.45	45.30	895.12
<b>As at March 31, 2018</b>	<b>-</b>	<b>788.42</b>	<b>10,688.38</b>	<b>31,980.19</b>	<b>1,574.87</b>	<b>861.73</b>	<b>3,752.81</b>	<b>49,646.40</b>
<b>Net carrying value</b>								
As at March 31, 2017	9,615.87	2,070.26	11,843.88	17,083.20	693.11	543.68	795.44	42,645.44
<b>As at March 31, 2018</b>	<b>9,681.13</b>	<b>1,997.43</b>	<b>11,096.02</b>	<b>16,703.01</b>	<b>345.93</b>	<b>545.79</b>	<b>677.55</b>	<b>41,046.86</b>

#### 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) Borrowing cost capitalised during the period is nil.
- (iv) A part of leasehold land, building and plant situated at Dahej, Gujarat has been leased out to group company Isgec Hitachi Zosen Limited for operation of its business.

The details of the assets lease out is given below:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Gross carrying value	13,590.77	13,886.60
Accumulated depreciation	9,523.66	9,067.49
Net carrying value	4,067.11	4,819.11

## Notes to the Standalone Financial Statements

### Note 4 : Intangible assets

(₹ in lakhs)

Particulars	Software	Technical know how	Total
<b>Gross carrying value</b>			
As at April 1, 2016	2,702.64	6,582.77	9,285.41
Additions	145.43	-	145.43
Disposals	-	-	-
As at March 31, 2017	2,848.07	6,582.77	9,430.84
Additions	41.63	1,764.87	1,806.50
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>2,889.70</b>	<b>8,347.64</b>	<b>11,237.34</b>
<b>Accumulated amortisation</b>			
As at April 1, 2016	1,399.93	3,199.31	4,599.24
Charge for the year	393.27	646.53	1,039.80
Disposals	-	-	-
As at March 31, 2017	1,793.20	3,845.84	5,639.04
Charge for the year	379.98	717.26	1,097.24
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>2,173.18</b>	<b>4,563.10</b>	<b>6,736.28</b>
As at March 31, 2017	1,054.87	2,736.93	3,791.80
<b>As at March 31, 2018</b>	<b>716.52</b>	<b>3,784.54</b>	<b>4,501.06</b>

## Notes to the Standalone Financial Statements

### Note 5: Non-current financial assets - Investments

Particulars	As at March 31, 2018			As at March 31, 2017		
	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)	Face Value(₹)	No. of Shares/ units	Value (₹ in lakhs)
<b>Investment</b>						
<b>Equity instruments (at cost)</b>						
<b>a) Subsidiary companies fully paid up (unquoted)</b>						
Isgec Covema Limited	10	2,000,000	200.00	10	2,000,000	200.00
Isgec Exports Limited	10	100,000	10.00	10	100,000	10.00
Isgec Engineering & Projects Limited	10	4,000,000	400.00	10	4,000,000	400.00
Freelook Software Private Limited	10	24,650	1,306.45	10	24,650	1,306.45
Saraswati Sugar Mills Limited	10	7,099,900	7,009.99	10	7,099,900	7,009.99
Isgec Hitachi Zosen Limited	100	5,100,000	5,100.00	100	5,100,000	5,100.00
Isgec Foster Wheeler Boilers Private Limited	10	1,020,000	102.00	10	1,020,000	102.00
Isgec Titan Metal Fabricators Private Limited	10	510,000	51.00	10	510,000	51.00
Isgec Redecam Enviro Solutions Private Limited	10	1,020,000	102.00	10	1,020,000	102.00
			<b>14,281.44</b>			<b>14,281.44</b>
<b>b) Others</b>						
SVC Co-operative Bank Limited	25	100	0.03	25	100	0.03
<b>Total (a+b)</b>			<b>14,281.47</b>			<b>14,281.47</b>
Aggregate amount of quoted investments			-			-
Aggregate amount of unquoted investments			<b>14,281.47</b>			<b>14,281.47</b>
Aggregate amount of impairment in value of investments			-			-

### Note 6: Non-current financial assets - Trade receivables (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	<b>3,548.97</b>	4,470.45
<b>Total</b>	<b>3,548.97</b>	4,470.45

### Note 7 : Non-current financial assets -Loans (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Loans to employees</b>		
Secured, considered good	<b>318.42</b>	318.47
Unsecured, considered good	<b>83.06</b>	96.66
<b>Total</b>	<b>401.48</b>	415.13



## Notes to the Standalone Financial Statements

### Note 8 : Non-current financial assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good</b>		
- Security Deposit*	763.53	711.63
- Fixed deposits with banks having maturity of more than twelve months	102.70	-
<b>Total</b>	<b>866.23</b>	<b>711.63</b>

\* includes balances with related parties (refer note 47)

### Note 9 : Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances	898.56	29.32
Advances other than capital advance		
-Prepaid expenses	9.56	-
<b>Total</b>	<b>908.12</b>	<b>29.32</b>

### Note 10 : Inventories (lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Raw Material</b>		
Raw materials	15,640.31	13,068.27
Raw materials in transit	593.36	731.86
<b>Work - in - progress</b>		
- Engineering goods	22,819.46	20,460.37
- Ingots and steel castings	2,783.27	1,697.66
- Erection	-	762.95
- Other stock	4.29	5.61
<b>Traded goods</b>		
Goods traded in transit	1,734.85	1,645.44
<b>Stores and spares</b>		
Stores & spares	2,990.26	2,038.56
Stores & spares in transit	-	3.51
Loose tools	44.18	33.59
<b>Total</b>	<b>46,609.98</b>	<b>40,447.82</b>

## Notes to the Standalone Financial Statements

### Note 11 : Current financial assets - Investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
<b>At fair value through profit and loss</b>				
<b>a) Investments in equity instruments</b>				
<b>-Quoted</b>				
Reliance Industries Limited	1,408	12.43	704	9.29
Reliance Power Limited	872	0.32	872	0.42
Shares held under equity portfolio management service (refer note 11.1)		266.94		239.76
		279.69		249.47
<b>b) Investments in bonds &amp; debentures</b>				
<b>-Quoted</b>				
Canara Bank	50	500.00	50	500.00
ECL Finance Limited	-	-	50,000	500.00
Citicorp Finance (India) Limited NCD Series-575	-	-	500	545.65
Citicorp Finance (India) Limited NCD Series-604 (Tranche 7)	500	553.10	500	515.85
Citicorp Finance (India) Limited NCD Series-604 (Tranche 8)	500	572.60	500	502.65
Citicorp Finance (India) Limited NCD Series-608	-	-	1,000	1,016.60
Reliance Capital Limited NCD Series B/406	1,000	1,074.40	1,000	995.13
Citicorp Finance (India) Limited NCD Series-629	2,500	2,676.75	2,500	2,500.00
Citicorp Finance (India) Limited NCD Series-632	2,500	2,681.75	2,500	2,500.00
Edelweiss Finance & Investment Limited NCD Series-L7L501A	-	-	300	339.91
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	54	550.90	47	474.64
7.55% Dewan Bonds	40	410.23	-	-
7.80% HDFC Bonds	1	102.80	-	-
7.92% IHFLIN Bonds	23	234.41	-	-
8.73% LIC HF Bonds	-	-	25	261.30
8.38% LIC HF Bonds	4	41.36	-	-
Indiabulls Housing Finance Limited Bonds	-	-	11	110.66
		9,398.30		12,316.28

## Notes to the Standalone Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
<b>c) Investments in mutual funds</b>				
<b>-Unquoted</b>				
Aditya Birla Sunlife Floating Rate Fund - Long Term - Growth - Direct Plan	-	-	1,343,522	2,695.74
Aditya Birla Sun Life Short Term Fund -Growth-Direct Plan	3,234,779	2,161.50	4,972,176	3,109.76
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	5,000,000	537.07	5,000,000	502.94
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	5,000,000	538.46	5,000,000	504.36
DHFL Pramerica Banking and PSU Debt Fund - Direct Plan - Growth	7,035,911	1,080.12	7,035,911	1,012.92
DHFL Pramerica Fixed Duration Fund - Series AB - Direct Plan - Growth	50,000	547.94	50,000	503.81
DHFL Pramerica Fixed Duration Fund - Series AE - Direct Plan - Growth	50,000	537.34	50,000	502.78
DSP BlackRock Short Term Fund - Direct Plan - Growth	1,795,184	548.71	1,795,184	514.06
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	5,845,213	870.55	5,845,213	819.12
HDFC Banking and PSU Debt Fund- Direct Growth Option	12,719,500	1,804.72	12,719,500	1,688.86
HDFC Medium Term Opportunity Fund-Direct Plan-Growth Option	7,747,479	1,503.61	7,747,479	1,408.30
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	8,000,000	860.15	8,000,000	805.87
ICICI Prudential Income - Direct Plan - Growth	-	-	1,127,467	614.66
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	-	-	2,324,522	611.61
ICICI Prudential Savings Fund-Direct Plan-Growth	-	-	891,708	2,245.18
ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	-	9,696,708	1,659.34
IDFC Corporate Bond Fund Direct Plan-Growth	2,000,000	239.41	2,000,000	224.32
Kotak Low Duration Fund Direct Growth	-	-	86,052	1,747.36
Mahindra Liquid Fund - Direct - Growth	-	-	73,679	775.57
Reliance Short Term Fund - Direct Growth Plan Growth Option	-	-	5,775,750	1,825.18
Reliance Dynamic Bond Fund-Direct Growth Plan	2,148,730	515.62	7,397,280	1,701.26
Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan-Growth Option	-	-	1,050,575	246.80
Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan	5,000,000	649.44	5,000,000	608.04
Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan	5,000,000	651.77	5,000,000	607.98
Reliance Medium Term Fund-Direct Growth Plan-Growth Option	-	-	2,892,506	1,003.40
Reliance Fixed Horizon Fund-XXX-Series 17-Direct Growth Plan	5,000,000	588.06	5,000,000	548.79
Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan	5,000,000	593.13	5,000,000	553.92
Reliance Liquid Fund-Cash Plan-Growth Option-Growth Plan	54,796	1,476.70	-	-
SBI Debt Fund Series A 16 - 366 days -Regular - Growth	-	-	6,000,000	760.75
SBI Ultra Short Debt Fund - Regular Plan - Growth	-	-	77,364	1,625.00
SBI Dual Advantage Fund-Series XI-Regular-Growth	1,000,000	118.60	1,000,000	111.43
SBI Corporate Bond Fund-Regular Plan-Growth	-	-	2,185,831	572.88
SBI Dual Advantage Fund-Series XII-Regular-Growth	1,000,000	119.11	1,000,000	111.41
SBI Regular Savings Fund-Direct Plan-Growth	-	-	8,122,464	2,367.22

## Notes to the Standalone Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
SBI Debt Fund Series-B-34 (1131 Days)-Direct Growth	10,000,000	1,177.52	10,000,000	1,102.32
SBI Dual Advantage Fund-Series XV-Regular-Growth	2,000,000	229.08	2,000,000	215.62
SBI Premier Liquid Fund - Regular Plan - Growth	55,329	1,502.51	125,743	3,201.03
SBI Short Term Debt Fund - Regular Plan - Growth	10,074,606	2,017.55	15,124,779	2,858.72
SBI Dual Advantage Fund-Series XIX-Regular-Growth	1,000,000	107.53	1,000,000	100.73
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	5,000,000	535.81	5,000,000	503.03
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	5,000,000	536.65	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	1,090.64	10,000,000	1,007.23
Invesco India Medium Term Bond Fund-Direct Plan Growth	-	-	91,414	1,548.52
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
UTI Short Term Income Fund-Institutional Option-Direct Plan-Growth	-	-	7,181,427	1,459.48
Aditya Birla Sun Life Cash Plus - Direct - Growth	-	-	34,494	90.14
		<b>23,139.30</b>		<b>51,793.63</b>
<b>d) Other investments</b>				
<b>-Unquoted</b>				
ASK Real Estate Special Opportunities Fund		240.00		152.50
Reliance Yield Maximiser Fund		272.53		368.19
Edelweiss (Ambit) Alpha Fund		231.57		216.49
India Whizdom Fund		111.35		53.80
Edelweiss Real Estate Opportunities Fund (EROF)		95.00		64.00
IDFC Score Fund		107.45		42.00
Indiabulls High Yield Fund		196.88		98.83
DSP Blackrock India Enhanced Equity Fund		219.20		205.98
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		200.00		50.00
ASK Real Estate Special Situations Fund		40.00		10.00
Indiabulls Dual Advantage Commercial Asset Fund		249.80		125.49
Reliance Yield Maximiser Scheme-III		519.46		500.00
		<b>2,483.24</b>		<b>1,887.28</b>

## Notes to the Standalone Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
<b>e) Deposits</b>				
<b>-Unquoted</b>				
HDFC Limited		-		500.00
Mahindra & Mahindra Financial Services Limited		-		99.00
Bajaj Finance Limited		300.00		600.00
PNB Housing Finance Limited		1,000.00		1,000.00
Dewan Housing Finance Corporation Limited		-		400.00
		<b>1,300.00</b>		<b>2,599.00</b>
<b>Total current investments (a + b + c + d + e)</b>		<b>36,600.53</b>		<b>68,845.66</b>
<b>Aggregate value of investments :</b>				
Aggregate amount of quoted investments		9,677.99		12,565.75
Aggregate amount of unquoted investments		26,922.54		56,279.91
Aggregate amount of impairment in value of investments		-		-

### Note 11.1 : Details of shares held under equity portfolio management service with "ASK Investment Managers Pvt. Ltd."

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
Ajanta Pharma Limited	-	-	453	7.97
Amara Raja Batteries Limited	-	-	1,295	11.51
Asian Paints Limited	1,184	13.27	971	10.40
Bajaj Finance Limited	1,066	18.87	1,400	16.44
Bajaj Finserv Limited	343	17.76	343	14.02
Blue Dart Express Limited	-	-	217	11.23
Dalmia Bharat Limited	-	-	348	6.85
Divi's Laboratories Limited	1,085	11.82	-	-
Eicher Motors Limited	51	14.45	51	13.03
Gruh Finance Limited	3,497	20.18	3,497	13.84
HDFC Bank Limited	993	18.78	993	14.32
Hindustan Petroleum Corporation Limited	4,150	14.28	2,478	13.02
Indusind Bank Limited	925	16.61	-	-
Kajaria Ceramics Limited	1,920	10.89	1,920	11.23
Lupin Limited	-	-	730	10.55

## Notes to the Standalone Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/ units	Amount (₹ in lakhs)	No. of Shares/ units	Amount (₹ in lakhs)
M R F Limited	24	17.35	-	-
Maruti Suzuki India Limited	186	16.49	218	13.13
MAX Financial Services Limited	1,509	6.85	1,732	9.99
Motherson Sumi Systems Limited	5,328	16.61	3,509	13.08
National Building Construction Corporation Limited	5,096	9.70	7,213	12.41
P I Industries Limited	1,579	14.02	1,579	13.22
Page Industries Limited	73	16.56	83	12.15
Ramco Cements Limited	1,698	12.45	1,698	11.37
		<b>266.94</b>		<b>239.76</b>

### Note 12 : Current financial assets - Trade receivables (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good*	110,772.84	107,109.26
Unsecured, considered doubtful	581.36	696.26
Less: Allowance for expected credit losses	(581.36)	(696.26)
<b>Total</b>	<b>110,772.84</b>	<b>107,109.26</b>

\* includes balances with related parties (refer note 47)

### Note 13 : Current financial assets- Cash & cash equivalents (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- In current accounts	1,845.02	2,579.47
- In fixed deposits accounts with original maturity of less than three months	14,700.00	-
Cheques, drafts on hand	3.00	9.77
Cash on hand	37.76	22.01
<b>Total</b>	<b>16,585.78</b>	<b>2,611.25</b>

## Notes to the Standalone Financial Statements

### Note 14 : Current financial assets - other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with banks:		
- In fixed deposits accounts maturing within one year	3,501.05	8,954.80
- In fixed deposit under lien held as margin money maturing within one year	444.65	478.75
Earmarked - unclaimed dividend accounts	168.58	134.94
<b>Total</b>	<b>4,114.28</b>	<b>9,568.49</b>

### Note 15 : Current financial assets -Loans

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured, considered good</b>		
Loans to employees	79.71	77.77
<b>Unsecured, considered good</b>		
Advances to employees	793.66	982.03
Other loans*	47.29	7,270.00
<b>Total</b>	<b>920.66</b>	<b>8,329.80</b>

\* includes balances with related parties (refer note 47)

### Note 16 : Current financial assets -Others

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Foreign currency forward contracts</b>	<b>1,117.38</b>	<b>2,432.89</b>
<b>Security Deposits</b>		
Secured, considered good	50.91	6.43
Unsecured, considered good*	972.45	535.77
<b>Others (Unsecured)</b>		
Unbilled revenue	3,069.59	-
Interest accrued but not due	204.14	397.18
<b>Total</b>	<b>5,414.47</b>	<b>3,372.27</b>

\* includes balances with related parties (refer note 47)

## Notes to the Standalone Financial Statements

### Note 17 : Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Advances other than capital advances</b>		
Advances to suppliers*	36,227.23	23,234.97
<b>Others</b>		
Prepaid expenses	607.98	737.48
Balance with government authorities	4,898.67	2,244.59
Group gratuity fund	-	25.04
Export incentive receivable	1,100.04	1,722.04
Others	352.51	305.41
<b>Total</b>	<b>43,186.43</b>	<b>28,269.53</b>

\* includes balances with related parties (refer note 47)

### Note 18 : Equity share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
Authorised share capital (Equity shares of ₹ 10/- each with voting rights)	8,500,000	850.00	8,500,000	850.00
Issued, subscribed & paid up (Equity shares of ₹ 10/- each fully paid up with voting rights)	7,352,951	735.29	7,352,951	735.29
<b>Total</b>	<b>7,352,951</b>	<b>735.29</b>	<b>7,352,951</b>	<b>735.29</b>

#### 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.



## Notes to the Standalone Financial Statements

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
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

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

Class of shares/name of the shareholders:	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
(i) The Yamuna Syndicate Limited	3,296,526	44.83%	3,296,526	44.83%
(ii) Mr. Ranjit Puri	659,201	8.97%	659,201	8.97%
(iii) Mr. Aditya Puri	456,808	6.21%	456,808	6.21%
(iv) Mr. Ranjan Tandon	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	2017-18	2016-17	2015-16	2014-15	2013-14
Fully paid equity shares	-	-	-	-	16,589

### Note 19 : Other equity

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Capital reserve</b>		
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>(b) Capital redemption reserve</b>		
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

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(c) Securities premium reserve</b>		
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
<b>(d) General reserve</b>		
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
<b>(e) Retained earnings</b>		
Balance outstanding at the beginning of the year	93,921.94	77,082.34
Add: Net profit for the year	11,898.00	18,863.39
- Remeasurement of post employment benefit obligation (net of tax) (Refer Note No. 19.1)	115.44	(35.90)
Less: Appropriations		
- 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
- Interim Dividend for the year ended March 31, 2018 @ ₹ 16/- per share (for the year ended March 31, 2017 @ ₹ 15/- per share)	1,176.47	1,102.91
- Dividend distribution tax	-	149.68
Balance outstanding at the end of the year	103,656.00	93,921.94
<b>Total</b>	<b>121,549.01</b>	<b>111,814.95</b>

**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 represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

#### General Reserve

This represents appropriation of profit after tax by the Company.

#### Retained Earnings

This comprise Company's undistributed profit after taxes.

## Notes to the Standalone Financial Statements

### Note 20 : Non-current financial liabilities - Other financial liabilities (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposit under car loan scheme	132.10	181.36
Security Deposit -Others	2.05	1.55
<b>Total</b>	<b>134.15</b>	<b>182.91</b>

### Note 21 : Long term provisions (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
-Leave encashment	1,993.54	1,973.91
-Pension provision	942.44	1,018.58
	2,935.98	2,992.49
Provision for warranty (refer Note 21.1 & 21.2)	1,857.01	3,748.97
<b>Total</b>	<b>4,792.99</b>	<b>6,741.46</b>

#### Note 21.1 : Provision for warranty

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

### Note 21.2 : Movement of provision for warranty (₹ in lakhs)

Nature of Provisions	Warranties	
	2017-18	2016-17
(a) Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the year	17,440.89	17,774.72
Additional provision made during the year	2,110.28	3,376.16
Amount used during the year	(2,203.27)	(3,357.69)
Amount reversed during the year	(2,286.30)	(892.82)
Adjustment due to discounting	(295.37)	540.52
<b>Carrying amount at the end of the year</b>	<b>14,766.23</b>	<b>17,440.89</b>
<b>Break up of carrying amount at the end of the year</b>		
Long term provisions	1,857.01	3,748.97
Short term provisions (refer note 28)	12,909.22	13,691.92

## Notes to the Standalone Financial Statements

### Note 22 : Deferred Tax

**22.1 : The balance comprises temporary differences attributable to:** (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment	(1,114.74)	(1,415.52)
Employee benefits	1,146.36	975.34
Provision for doubtful receivables	203.15	12.79
Lease rent	16.54	-
Fair valuation of investments	(50.10)	-
Others	(8.98)	-
<b>Net deferred tax (Liabilities) / Assets</b>	<b>192.23</b>	<b>(427.39)</b>

**22.2 : Movement in deferred tax Liabilities/deferred tax assets** (₹ in lakhs)

Particulars	Employee benefits	Property, plant and equipment	Trade receivables	Lease rent	Fair valuation of investments	Others	Total
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)
(Charged)/ credited:-							
-to profit & loss	233.03	300.78	190.36	16.54	(50.10)	(8.98)	681.63
-to other Comprehensive Income	(62.01)	-	-	-	-	-	(62.01)
<b>At March 31, 2018</b>	<b>1,146.36</b>	<b>(1,114.74)</b>	<b>203.15</b>	<b>16.54</b>	<b>(50.10)</b>	<b>(8.98)</b>	<b>192.23</b>

**Note 23 : Other non-current liabilities** (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers	25,296.58	14,827.19
Lease equalisation reserve	47.34	42.10
<b>Total</b>	<b>25,343.92</b>	<b>14,869.29</b>

## Notes to the Standalone Financial Statements

### Note 24 : Current financial liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Loans repayable on demand</b>		
<b>Secured</b>		
From banks		
- Cash credit accounts (refer note 24.1 and 24.2)	2,177.15	3,456.23
Packing credit loans from banks (refer note 24.1 and 24.3)		
- In Indian rupees	6,050.00	5,500.00
<b>Unsecured</b>		
From banks		
Packing credit loans from banks (refer note 24.3)		
- In Indian rupees	-	2,000.00
<b>Total</b>	<b>8,227.15</b>	<b>10,956.23</b>

Note: 24.1 Secured by hypothecation of inventories and by a charge on book debts and other assets of the Company, in favor of working capital consortium bankers on pari passu basis.

Note: 24.2 Repayable on demand. Rates of interest varied from 8.70% to 11.85% during the above periods.

Note: 24.3 Average rate of interest on Packing Credit Loans from Banks:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
In foreign currency (in US Dollars)	NIL	NIL
In Indian rupees	7.62%	7.47%

### Note 25 : Current financial liabilities - Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of MSME (refer note 25.1)	20.46	25.42
Total outstanding dues of creditors other than MSME *	102,504.52	131,171.43
<b>Total</b>	<b>102,524.98</b>	<b>131,196.85</b>

\* includes balances with related parties (refer note 47)

## Notes to the Standalone Financial Statements

### Note 25.1 : Trade payables to micro and small enterprises

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with the Company. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Amount remaining unpaid to any supplier		
- Principal amount remaining unpaid	20.46	25.42
- Interest due on above	-	-
(b) Interest paid under MSMED Act, 2006	0.01	0.01
(c) Interest due (other than (b) above)	-	-
(d) Interest accrued and unpaid	-	-
(e) Interest due and payable till actual payment	-	-

### Note 26 : Current financial liabilities - Other financial liabilities

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Unclaimed dividends	168.58	134.94
Interest accrued but not due on borrowings	8.05	20.62
Security deposit received	95.30	91.91
Payable to employees	1,727.58	797.62
Forward contracts	1,117.38	2,281.91
Capital creditors	460.36	313.35
Managerial /Director remuneration payable	1,694.38	2,750.63
Expense payable	956.67	344.66
Other payables *	189.01	123.34
<b>Total</b>	<b>6,417.31</b>	<b>6,858.98</b>

\* includes balances with related parties (refer note 47)

### Note 27 : Other current liabilities

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Advance from customers	46,136.34	35,994.90
Statutory dues payable	1,249.12	825.94
Government grant	36.11	-
Others	1,676.01	1,559.57
<b>Total</b>	<b>49,097.58</b>	<b>38,380.41</b>

## Notes to the Standalone Financial Statements

### Note 28 : Short term provisions

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for employee benefits		
- Leave encashment	179.67	190.94
- Gratuity	53.05	-
- Pension provision	164.90	154.67
Provision for CSR (Refer note 38.1)	-	3.60
Provision for warranty (refer note 21.1 & 21.2)	12,909.22	13,691.92
<b>Total</b>	<b>13,306.84</b>	<b>14,041.13</b>

### Note 29 : Current tax liabilities (net)

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provisions for income- Tax	5,758.76	8,386.64
Less: Prepaid Income Tax	5,009.07	8,156.61
<b>Total</b>	<b>749.69</b>	<b>230.03</b>

### Note 30 : Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (refer note - 30.1)	216,780.45	262,442.96
Erection, commissioning and related services	29,342.78	36,204.69
Other operating revenue (refer note 30.2)	15,413.32	12,451.05
<b>Total</b>	<b>261,536.55</b>	<b>311,098.70</b>

#### Note 30.1

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended March 31, 2017 and for the period April 1 to June 30, 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

## Notes to the Standalone Financial Statements

### Note 30.2 : Other operating revenues

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Commission earned	43.37	94.91
Export incentives	2,223.59	3,046.17
Packing receipts	9.39	11.62
Unclaimed balances / liabilities no longer required written back	608.82	836.40
Foreign exchange fluctuations	8,644.83	4,242.27
Sale of scrap and waste	897.30	849.84
Lease rent receipts (refer note 44)	2,835.00	2,835.00
Others	151.02	534.84
<b>Total</b>	<b>15,413.32</b>	<b>12,451.05</b>

### Note 31 : Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>(a) Interest income :</b>		
On loans to subsidiary companies	249.71	174.55
On bank deposits	585.96	1,951.80
On other investments	598.99	581.30
Fair valuation gain of financial instrument	7.88	8.33
<b>Total</b>	<b>1,442.54</b>	<b>2,715.98</b>
<b>(b) Dividend income on equity investments:</b>		
Subsidiary company		
- Saraswati Sugar Mills Limited	2,208.07	1,104.03
- Isgec Hitachi Zosen Limited	102.00	-
Other companies	1.91	2.08
<b>Total</b>	<b>2,311.98</b>	<b>1,106.11</b>
<b>(c) Gain on sale of investments</b>	<b>1,312.75</b>	<b>3,718.36</b>
<b>Total</b>	<b>1,312.75</b>	<b>3,718.36</b>
<b>(d) Other non operating income :</b>		
Profit on sale of property, plant and equipment	111.82	59.02
Insurance claim receipts	48.74	196.63
Insurance claim receipts against property, plant & equipment	-	15.21
Fair valuation gain of financial instruments	1,928.57	1,349.26
Others	77.72	163.14
<b>Total</b>	<b>2,166.85</b>	<b>1,783.26</b>
<b>Grand Total</b>	<b>7,234.12</b>	<b>9,323.71</b>



## Notes to the Standalone Financial Statements

### Note 32 : Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw material consumed (refer note 32.1)	49,416.48	39,029.09
Store consumed	4,082.49	3,697.04
<b>Total</b>	<b>53,498.97</b>	<b>42,726.13</b>

### Note 32.1 : Details of raw materials and components consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Iron and steel	12,161.56	10,645.21
Alloys	1,419.57	1,224.24
Components and M.S. scrap	35,835.35	27,159.64
<b>Total</b>	<b>49,416.48</b>	<b>39,029.09</b>

### Note 33 : Purchase of stock-in-trade

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of stock-in-trade	72,762.77	117,874.54
<b>Total</b>	<b>72,762.77</b>	<b>117,874.54</b>

### Note 34 : Changes in inventories of finished goods, stock - in - trade & work - in - progress

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Finished goods	-	-
Work - in - progress	22,926.58	18,057.25
<b>Total</b>	<b>22,926.58</b>	<b>18,057.25</b>
Closing stock		
Finished Goods	-	-
Work - in - Progress	25,607.02	22,926.58
<b>Total</b>	<b>25,607.02</b>	<b>22,926.58</b>
<b>Changes in inventory</b>	<b>(2,680.44)</b>	<b>(4,869.33)</b>

## Notes to the Standalone Financial Statements

### Note 35 : Employee benefits expense

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries & wages	25,450.98	24,082.61
Contribution to provident & other funds	1,691.28	1,937.93
Staff welfare expenses	638.48	763.92
<b>Total</b>	<b>27,780.74</b>	<b>26,784.46</b>

### Note 35.1 : Additional information as per Ind AS 19, employee benefits

#### (a) Defined contribution plan:

The Company has recognised, in the statement of profit and loss, expenses for the following defined contribution plans:

(₹ in lakhs)

Particulars	2017-18	2016-17
Provident fund	1,260.45	1,234.53
Employees state insurance	33.57	16.13
Superannuation fund	54.58	57.70
National pension scheme	117.55	102.78
Staff welfare fund	3.26	3.26
<b>Total</b>	<b>1,469.41</b>	<b>1,414.40</b>

#### (b) Defined Benefits Plan :

The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

The obligations are as under:-

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>i. Change in present value of obligation</b>		
a. Present value of obligation at the beginning of the year	5,679.12	5,109.37
b. Interest cost	425.93	383.20
c. Current service cost	470.88	472.38
d. Benefits paid	(514.68)	(377.10)
e. Actuarial (gain) / loss	(186.87)	91.27
f. Present value of obligation at the end of the year	5,874.39	5,679.12

## Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>ii. Change in the fair value of plan assets</b>		
a. Fair value of plan assets at the beginning of the year	5,704.17	5,143.80
b. Actual return on plan assets	418.39	422.15
c. Contributions	221.87	523.53
d. Mortality, admin and FMC charges	(8.41)	(8.21)
e. Benefits paid	(514.68)	(377.10)
f. Actuarial gain / (loss) on plan assets	-	-
g. Fair value of plan assets at the end of the year	5,821.34	5,704.17
<b>iii. Reconciliation of fair value of assets and obligations</b>		
a. Fair value of plan assets at the end of the year	5,821.34	5,704.17
b. Present value of obligation at the end of the year	5,874.39	5,679.12
c. Amount recognised in the balance sheet	(53.05)	25.04
- Current	(53.05)	25.04
- Non current	-	-
<b>iv. Expenses recognised in the statement of profit &amp; loss</b>		
a. Current service cost	470.88	472.38
b. Interest cost	425.93	383.20
c. Expected return on plan assets	(427.81)	(385.78)
d. Actuarial (gain) / loss	-	-
e. Expenses recognised in the profit & loss	469.00	469.79
<b>v. Recognised in other comprehensive income for the year</b>		
a. Net cumulative unrecognized actuarial gain/(loss) opening	(573.69)	(518.78)
b. Actuarial gain/(loss) for the year on present benefit obligation	186.87	(91.27)
c. Actuarial gain/(loss) for the year on assets	(9.42)	36.36
d. Unrecognized actuarial gain/(loss) at the end of the year	(396.24)	(573.69)
<b>vi. Actuarial assumptions</b>		
a. Discount rate (per annum)	7.75%	7.50%
b. Estimated rate of return on plan assets (per annum)	0.00%	0.00%
c. Rate of escalation in salary (per annum)	7.50%	7.50%

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

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Defined benefit obligation	5,874.39	5,679.12
Plan assets	5,821.34	5,704.17
Surplus / (deficit)	(53.05)	25.04

## Notes to the Standalone Financial Statements

### (d) Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
a. Within next twelve months	845.32	805.72
b. Between one to five years	468.12	871.90
c. Between five to ten years	4,560.95	4,001.51

### (e) Sensitivity analysis of the defined benefit obligation

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>(a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	5,874.39	5,679.12
(i) Impact due to increase of 0.50%	(247.65)	(244.19)
(ii) Impact due to decrease of 0.50%	268.57	265.16
<b>(b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	5,874.39	5,679.12
(i) Impact due to increase of 0.50%	267.92	263.88
(ii) Impact due to decrease of 0.50%	(249.32)	(245.28)

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)	
	2017-18	2016-17
Fund managed by insurer	100%	100%

### (g) Mortality rate

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

## Notes to the Standalone Financial Statements

### Note 36: Finance costs

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest	571.17	1,911.63
Other borrowing costs	140.72	168.15
<b>Total</b>	<b>711.89</b>	<b>2,079.78</b>

### Note 37: Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property plant & equipment	5,617.99	5,342.50
Amortization of Intangible assets	1,097.24	1,039.80
<b>Total</b>	<b>6,715.23</b>	<b>6,382.30</b>

### Note 38 : Other expense

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & fuel	2,731.30	2,418.39
Other manufacturing expenses	14,518.67	10,471.36
Repairs & maintenance		
- Plant and machinery	958.51	854.53
- Building	359.32	534.29
- Others	604.52	219.91
Rent	594.67	748.65
Insurance	483.29	546.39
Rates and taxes	67.23	175.61
Commission to selling agents and others	1,753.85	2,455.01
Bank charges	1,085.31	1,284.07
Royalty	491.49	957.68
Electricity and water charges	397.79	336.27
Donation	2.00	10.14
Office and miscellaneous expenses	8,063.27	7,448.94
Payment to auditors		
-Statutory audit fees	11.05	9.05
-In other capacity	0.58	0.45
-For reimbursement of expenses	3.13	1.84
Packing, forwarding and transportation expenses	11,917.86	16,186.59
Design & technical expenses	6,580.64	3,862.41
Travelling expenses	4,739.60	5,140.42
Foreign exchange fluctuations	1,507.23	-
Managerial remuneration	1,835.05	2,854.57
Directors' commission / sitting fee	11.65	13.77
Corporate social responsibility (CSR) expenses (refer note 38.1)	469.61	372.22
Bad debts written off	-	1.20
Loss on property, plant and equipment sold / written off	33.13	23.62
<b>Total</b>	<b>59,220.75</b>	<b>56,927.38</b>

## Notes to the Standalone Financial Statements

### Note 38.1: Corporate social responsibility

- a) Gross amount required to be spent by the Company during the year is ₹ 489.19 lakhs. The Company was required to spend the sum of ₹ 3.60 lakhs for the F.Y 2016-17 and ₹ 489.19 lakhs for the F.Y 2017-18 totaling to ₹ 492.79 lakhs. An amount of ₹ 473.20 lakhs has been spent. The balance amount of ₹ 19.59 lakhs will be spent in the next year.
- b) Amount spent during the year on:

Particulars	(₹ in lakhs)	
	Spent	Yet to be spent
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	473.20	19.59

### Note 39 : Tax expense

#### A. Income Tax Expenses

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>(a) Current Tax</b>		
Current tax on profit for the year	5,576.99	8,138.25
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expenses</b>	<b>5,576.99</b>	<b>8,138.25</b>
<b>(b) Deferred tax</b>		
Decrease/(Increase) in Deferred Tax Assets	(439.93)	(66.37)
(Decrease)/Increase in Deferred Tax Liabilities	(241.70)	(169.05)
<b>Total Deferred Tax Expenses</b>	<b>(681.63)</b>	<b>(235.42)</b>
<b>Total Income Tax Expenses</b>	<b>4,895.36</b>	<b>7,902.83</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 34.608% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Accounting profit before income tax	16,793.36	26,766.22
Statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	5,811.85	9,263.25
Additional deduction allowed in Income Tax Act for certain expenditure	(138.26)	(351.47)
Expenditure for which deduction is not allowed under Income Tax Act	236.00	144.01
Differential tax rate on fair value of investments	199.13	(466.95)
Differential tax rate on sale of investments	(384.00)	(269.15)
Tax on exempt income	(802.13)	(385.95)
Change in tax rate for future period considered for deferred tax	-	(10.49)
Other deductions	(27.23)	(20.42)
<b>Total</b>	<b>4,895.36</b>	<b>7,902.83</b>

## Notes to the Standalone Financial Statements

### Note 40 : Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Net profit / (loss) available to equity shareholders (₹ in lakhs)	11,898.00	18,863.39
b) Number of weighted average equity shares outstanding during the year 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 earning per share (in ₹)	161.81	256.54
e) Diluted earning per share (in ₹)	161.81	256.54

### Note 41 : Contingent liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Contingent Liabilities:</b> (to the extent not provided for)		
a) Claims against the Company not acknowledged as debts [including claims as per para (c)]	36,190.86	857.46
b) Bonds executed in favor of President of India against Export Promotion Capital Goods license and advance authorisation and others *	18,483.31	18,335.82
*includes bonds given on behalf of subsidiary company Isgec Hitachi Zosen Ltd.	2,972.00	3,152.20
c) The Company is executing contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in the Philippines. There was manifestation of latent conditions leading to cost overrun and delay in completion of the project within the contractual delivery date. The Company notified the customer that these risks were to their account under the contract. The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. The customer, on January 30, 2018, however, invoked the Bank Guarantees amounting to about ₹ 134 crores and wrongly terminated the contract, and also claimed damages.  The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per contract with the customer.  The legal advice is that the Company has good prospect of success in proving its claims against the customer and accordingly no provision has been made in the books of accounts.		

### Note 42 : Corporate guarantee

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Corporate guarantees given on behalf of joint venture company Isgec Hitachi Zosen Limited to Banks	20,035.71	25,332.52
b) Corporate guarantees given on behalf of joint venture company Isgec Titan Metal Fabricators Private Limited to Banks	833.83	549.59
c) Corporate guarantees given on behalf of joint venture company Isgec Redecam Enviro Solutions Private Limited to Banks	25.75	-

## Notes to the Standalone Financial Statements

### Note 43 : Commitments

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	3,040.38	1,868.53

### Note 44 : Leases

#### A. Company as a lessee

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

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Residential premises	197.06	284.89
b) Commercial premises	393.02	458.66
c) Plant and machinery	4.59	5.10
<b>Total</b>	<b>594.67</b>	<b>748.65</b>

There is no non-cancellable lease hence detail for the same is not required.

#### 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, 2018	As at March 31, 2017
(i) Not later than one year	2,887.10	2,837.16
(ii) Later than one year and not later than five years	8,509.20	11,346.48
(iii) Later than five years	-	-
<b>Total</b>	<b>11,396.30</b>	<b>14,183.64</b>

### Note 45 : 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. This is the only business segment.

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.



## Notes to the Standalone 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, 2018			Year ended March 31, 2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue by geographical market	190,560.02	78,210.65	268,770.67	197,455.72	122,966.69	320,422.41

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

(₹ in lakhs)

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Carrying amount of assets	49367.75	15.81	49,383.56	47,973.61	28.55	48,002.16
Addition to property, plant and equipment	7393.09	-	7,393.09	7,364.98	-	7,364.98

- c) Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2018 - NIL

### Note 46 : Construction contracts (disclosure pursuant to Ind AS 11)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Contract revenue recognised during the year	109,605.63	166,196.56
In respect of contracts in progress as at year end:		
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	387,908.23	459,826.20
Customer advance outstanding for contracts in progress	17,532.80	9,702.54
Retention money due from customers for contract in progress	19,446.11	17,188.00
Gross amount due from customers disclosed as unbilled revenue (refer note 17)	3,069.59	-

### Note 47 : Disclosures as required by Indian Accounting Standard (Ind AS) 24 related party disclosures

#### A. List of Related Party

S.no.	Name of the related party	Country of incorporation	% of Equity interest	
			As at March 31, 2018	As at March 31, 2017
(i)	<b>Holding Company</b>	None		
(ii)	<b>Subsidiaries</b>			
1	Saraswati Sugar Mills Limited	India	100	100
2	Isgec Covema Limited	India	100	100
3	Isgec Exports Limited	India	100	100
4	Isgec Engineering & Projects Limited	India	100	100
5	Freelook Software Private Limited	India	100	100
6	Isgec Hitachi Zosen Limited	India	51	51
7	Isgec Foster Wheeler Boilers Private Limited	India	51	51
8	Isgec Titan Metal Fabricators Private Limited	India	51	51
9	Isgec Redecam Enviro Solutions Private Limited	India	51	51

## Notes to the Standalone Financial Statements

S.no.	Name of the related party	Country of incorporation	% of Equity interest	
			As at March 31, 2018	As at March 31, 2017
(iii)	<b>Associates</b>	None		
(iv)	<b>Entities over which key management personnel can exercise significant influence</b>			
	1 Yamuna Syndicate Ltd.			
	2 Kamla Puri Charitable Trust			
	3 Kamla Puri Charitable Foundation			
	4 Blue Water Enterprises			
(v)	<b>Key Management Personnel</b>			
	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)		
	5 Mr. Vinod Kumar Nagpal	(Non Executive Director)		
	6 Mr. Tahir Hasan	(Non Executive Director)		
	7 Mr. Arun Kathpalia	(Non Executive Director)		
	8 Mr. Vinod Kumar Sachdeva	(Non Executive Director)		
	9 Mr. Sidharth Prasad	(Non Executive Director)		
	10 Mr. Vishal Kirti Keshav Marwaha	(Non Executive Director)		
(vi)	<b>Relatives of Key Management Personnel</b>	<b>(Relationship)</b>		
	Mr. Ranjit Puri (Chairman)	(Father of Mr. Aditya Puri, Managing Director and Husband of Mrs. Nina Puri, Whole-time Director)		
(vii)	<b>Trust for post employment benefit</b>	<b>Principal place of operation / Country of incorporation</b>	<b>Principal Activities</b>	
	1 The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	India	Company's employee provident fund trust	
	2 Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
	3 Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
	4 The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust	
	5 The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	India	Company's employee gratuity trust	
	6 Saraswati Industrial Syndicate Limited Superannuation Scheme	India	Company's employee superannuation trust	
	7 Isgec John Thompson Staff Provident Fund	India	Company's employee provident fund trust	

## Notes to the Standalone Financial Statements

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

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	2017-18	2016-17
1	<b>Purchase of goods</b>		
	<b>- Subsidiaries</b>		
	Saraswati Sugar Mills Limited	21.13	-
	Isgec Hitachi Zosen Limited	302.76	1.21
	Isgec Titan Metal Fabricators Pvt. Ltd.	2.36	-
	Isgec Redecam Enviro Solutions Pvt. Ltd.	24.30	-
	<b>- Entities over which key management personnel can exercise significant influence</b>		
Yamuna Syndicate Ltd.	82.23	60.33	
	<b>Total</b>	<b>432.78</b>	<b>61.54</b>
2	<b>Sale of goods</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	827.83	44.93
	Isgec Hitachi Zosen Limited	56.00	566.65
	Isgec Titan Metal Fabricators Pvt. Ltd.	22.86	0.94
	<b>Total</b>	<b>906.69</b>	<b>612.52</b>
3	<b>Purchase of fixed Assets</b>		
	<b>- Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	2.58	5.34
	<b>Total</b>	<b>2.58</b>	<b>5.34</b>
4	<b>Sale of fixed assets</b>		
	<b>- Subsidiary</b>		
	Isgec Hitachi Zosen Limited	15.00	-
	<b>Total</b>	<b>15.00</b>	<b>-</b>
5	<b>Rendering of services</b>		
	<b>- Subsidiaries</b>		
	Saraswati Sugar Mills Limited	26.47	12.00
	Isgec Hitachi Zosen Limited	1,556.27	478.00
	Isgec Foster wheeler Boilers Pvt. Ltd.	293.75	136.97
	Isgec Redecam Enviro Solutions Pvt. Ltd.	22.42	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	287.82	14.42
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	11.61	33.27
		<b>Total</b>	<b>2,198.34</b>

## Notes to the Standalone Financial Statements

		(₹ in lakhs)	
S.No.	Nature of Transaction/Relationship	2017-18	2016-17
6	<b>Services received</b>		
	<b>- Subsidiaries</b>		
	Saraswati Sugar Mills Limited	6.56	-
	Isgec Hitachi Zosen Limited	446.24	62.84
	Isgec Titan Metal Fabricators Pvt. Ltd.	52.58	2.79
	<b>- Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	0.15	0.21
	<b>Total</b>	<b>505.53</b>	<b>65.84</b>
7	<b>Rent received</b>		
	<b>- Subsidiaries</b>		
	Isgec Hitachi Zosen Limited	2,835.00	2,835.00
	Isgec Titan Metal Fabricators Pvt. Ltd.	23.45	-
	<b>- Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	0.40	0.39
	<b>Total</b>	<b>2,858.85</b>	<b>2,835.39</b>
8	<b>Rent Paid</b>		
	<b>-Subsidiaries</b>		
	Isgec Engineering & Projects Limited	8.64	8.64
	<b>- Entities over which key management personnel can exercise significant influence</b>		
	Blue Water Enterprises	73.38	70.68
	<b>Total</b>	<b>82.02</b>	<b>79.32</b>
9	<b>Interest Received</b>		
	<b>-Subsidiary</b>		
	Saraswati Sugar Mills Limited	249.71	174.55
	<b>Total</b>	<b>249.71</b>	<b>174.55</b>
10	<b>Loans given</b>		
	<b>-Subsidiary</b>		
	Saraswati Sugar Mills Limited	7,480.00	23,070.00
	<b>Total</b>	<b>7,480.00</b>	<b>23,070.00</b>
11	<b>Refund of loan</b>		
	<b>-Subsidiary</b>		
	Saraswati Sugar Mills Limited	14,750.00	15,800.00
	<b>Total</b>	<b>14,750.00</b>	<b>15,800.00</b>

## Notes to the Standalone Financial Statements

		(₹ in lakhs)	
S.No.	Nature of Transaction/Relationship	2017-18	2016-17
<b>12</b>	<b>Key management personnel compensation*</b>		
	Mr. Aditya Puri	917.92	1,426.14
	Mrs. Nina Puri	917.92	1,426.14
	Mr. Sudershan Kumar Khorana	126.07	135.61
	Mr. Kishore Chatnani	78.78	64.11
	<b>Total</b>	<b>2,040.69</b>	<b>3,052.00</b>
<b>13</b>	<b>Key management personnel remuneration / sitting fees</b>		
	Mr. Vinod Kumar Nagpal	1.93	2.75
	Mr. Tahir Hasan	1.52	2.30
	Mr. Ranjit Puri	1.86	2.13
	Mr. Arun Kathpalia	1.69	1.90
	Mr. Vinod Kumar Sachdeva	1.86	2.42
	Mr. Sidharth Prasad	1.27	1.98
	Mr. Vishal Kirti Keshav Marwaha	1.52	0.29
	<b>Total</b>	<b>11.65</b>	<b>13.77</b>
<b>14</b>	<b>Contribution to trust for post employment benefit</b>		
a	The Saraswati Sugar Syndicate Limited Employee Provident Fund Trust	847.10	849.28
b	Isgec Employees Group Gratuity cum Life Assurance Scheme	156.38	479.57
c	Uttar Pradesh Steels Employees Group Gratuity cum Life Assurance Scheme	50.31	42.96
d	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	0.17	1.00
e	The Saraswati Industrial Syndicate Limited Employees Group Gratuity Scheme	0.08	-
f	Saraswati Industrial Syndicate Limited Superannuation Scheme	57.58	57.70

\* The post employment benefits exclude gratuity and leave encashment which can not be separately identified from the composit amount as advised by the actuary.

## Notes to the Standalone Financial Statements

### C. Amount due to/from related parties

(₹ in lakhs)

S.No	Nature of Transaction/Relationship	As at March 31, 2018	As at March 31, 2017
<b>1</b>	<b>Amount payable as at year end</b>		
	<b>- Subsidiaries</b>		
	Isgec Hitachi Zosen Limited	94.33	0.23
	Isgec Titan Metal Fabricators Pvt. Ltd.	2.36	1.50
	Isgec Redecam Enviro Solutions Pvt. Ltd.	23.81	-
	Saraswati Sugar Mills Limited	-	0.25
	<b>- Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Ltd.	0.73	6.63
	<b>- Key management personnel</b>		
	Mr. Aditya Puri (Managing Director)	844.75	1,355.03
	Mrs. Nina Puri (Wholetime Director)	847.94	1,394.13
	Mr. Vinod Kumar Nagpal	0.23	0.23
	Mr. Tahir Hasan	0.23	0.23
	Mr. Arun Kathpalia	0.23	0.23
	Mr. Vinod Kumar Sachdeva	0.23	0.23
	Mr. Sidharth Prasad	0.23	0.23
	Mr. Vishal Kirti Keshav Marwaha	0.23	-
	<b>- Relatives of Key management personnel</b>		
	Mr. Ranjit Puri (Chairman)	0.23	0.23
	<b>Total</b>	<b>1,815.53</b>	<b>2,759.15</b>
<b>2</b>	<b>Amount receivable as at year end</b>		
	<b>- Subsidiaries</b>		
	Saraswati Sugar Mills Limited	521.49	7,319.34
	Isgec Hitachi Zosen Limited	1,170.56	607.44
	Isgec Foster wheeler Boilers Pvt. Ltd.	43.32	2.76
	Isgec Redecam Enviro Solutions Pvt. Ltd.	126.22	-
	Isgec Titan Metal Fabricators Pvt. Ltd.	30.07	14.11
	<b>-Entities over which key management personnel can exercise significant influence</b>		
	Blue Water Enterprises	10.11	9.34
	<b>Total</b>	<b>1,901.77</b>	<b>7,952.99</b>

## Notes to the Standalone Financial Statements

(₹ in lakhs)

S.No	Nature of Transaction/Relationship	As at March 31, 2018	As at March 31, 2017
3	<b>Investment as at year end</b>		
	<b>-Subsidiaries</b>		
	Saraswati Sugar Mills Limited	7,009.99	7,009.99
	Isgec Engineering & Projects Limited	400.00	400.00
	Isgec Covema Limited	200.00	200.00
	Isgec Exports Limited	10.00	10.00
	Freelook Software Private Limited	1,306.45	1,306.45
	Isgec Hitachi Zosen Limited	5,100.00	5,100.00
	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	102.00
	<b>Total</b>	<b>14,281.44</b>	<b>14,281.44</b>

### D. Terms and Conditions

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

### Note 48 : Fair Value Measurement

#### Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL *	FVTOCI #	Amortised Cost	FVTPL *	FVTOCI #
<b>Financial Assets</b>						
Investments						
-Investments in equity instruments	-	279.69	-	-	249.47	-
-Investments in debentures or bonds	-	9,398.30	-	-	12,316.28	-
-Investments in mutual funds	-	23,139.30	-	-	51,793.63	-
-Other investments	-	3,783.24	-	-	4,486.28	-
Trade receivables - current	110,772.84	-	-	107,109.26	-	-
Trade receivables - non current	3,548.97	-	-	4,470.45	-	-
Loans	1,322.14	-	-	8,744.93	-	-
Cash and cash equivalents	16,585.78	-	-	2,611.25	-	-
Bank balances	4,114.28	-	-	9,568.49	-	-
Others	6,280.70	-	-	4,083.90	-	-
<b>Total Financial Assets</b>	<b>142,624.71</b>	<b>36,600.53</b>	<b>-</b>	<b>136,588.28</b>	<b>68,845.66</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	8,227.15	-	-	10,956.23	-	-
Trade payables	102,524.98	-	-	131,196.85	-	-
Other Financial Liabilities	6,551.46	-	-	7,041.89	-	-
<b>Total Financial Liabilities</b>	<b>117,303.59</b>	<b>-</b>	<b>-</b>	<b>149,194.97</b>	<b>-</b>	<b>-</b>

\* FVTPL - Fair Value Through Profit and Loss

# FVTOCI - Fair Value Through Other Comprehensive Income

## Notes to the Standalone Financial Statements

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

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

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

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

(₹ in lakhs)

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



## Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2018	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial assets at fair value through profit and loss</b>				
<b>Investments</b>				
-Investments in equity instruments	279.69	279.69	-	-
-Investments in debentures or bonds	9,398.30	-	9,398.30	-
-Investments in mutual funds	23,139.30	23,139.30	-	-
-Other investments	3,783.24	-	3,783.24	-
Total	36,600.53	23,418.99	13,181.54	-
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018</b>				
<b>Financial Assets</b>				
Loan to Employees	401.48	-	-	401.48
Security Deposit	763.53	-	-	763.53
Total	1,165.01	-	-	1,165.01
<b>Financial Liabilities</b>				
Borrowings	8,227.15	-	-	8,227.15
Trade payables	-	-	-	-
Other financial liabilities	134.15	-	-	134.15
Total	8,361.30	-	-	8,361.30

### (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

## Notes to the Standalone Financial Statements

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowings fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

### Note 49 : Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include investments in marketable securities, loans, trade and other receivables and cash and short-term deposits that arise directly from its operations.

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

#### I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

##### (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, 2018	As at March 31, 2017
Variable rate borrowings	2,177.15	3,456.23
Fixed rate borrowings	6,050.00	7,500.00
<b>Total</b>	<b>8,227.15</b>	<b>10,956.23</b>

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

(₹ in lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Loans repayable on demand (Cash Credit)	10.03	2,177.15	26.46	11.00	3,456.23	31.55
<b>Net exposure to cash flow interest rate risk</b>	-	2,177.15	-	-	3,456.23	-

## Notes to the Standalone Financial Statements

### (iii) Sensitivity

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

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	10.89	17.28
	-50	-50	-10.89	-17.28

### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and the Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk management policy approved by the Board.

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

(₹ in lakhs)

Particulars	Against exposure in			
	USD	Euro	Others	Total
<b>Foreign currency exposure as at March 31, 2018</b>				
Trade Receivables	43,018.13	2,781.98	4.57	45,804.68
Bank balances in current accounts and term deposits accounts	334.31	0.01	2.46	336.78
Trade payables	1,589.69	228.64	-	1,818.33
Hedged Portion	44,481.88	2,924.70	2.46	47,409.04
Net Exposure to foreign currency risk	460.26	85.93	4.57	550.76
<b>Foreign currency exposure as at March 31, 2017</b>				
Trade Receivables	35,895.07	513.42	-	36,408.49
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

## Notes to the Standalone Financial Statements

### 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	2017-18		2016-17	
	1% increase	1% decrease	1% increase	1% decrease
USD	-0.32	0.32	11.19	-11.19
Euro	-0.82	0.82	-0.86	0.86
Others	0.05	-0.05	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 sensitivity is provided for the same.

## II. Credit risk

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

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

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty.
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

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

## Notes to the Standalone Financial Statements

### 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
<b>As at March 31, 2016</b>					
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
<b>As at March 31, 2017</b>					
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
<b>As at March 31, 2018</b>					
Gross Carrying Amount	74,331.35	23,268.91	6,567.43	10,735.48	114,903.17
Expected Credit Loss	-	16.12	204.02	361.22	581.36
Carrying Amount (net of impairment)	74,331.35	23,252.79	6,363.41	10,374.26	114,321.81

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
<b>As at March 31, 2016</b>	<b>764.37</b>
Provided during the year	-
Amounts written off	-
Reversal of provisions	(68.11)
<b>As at March 31, 2017</b>	<b>696.26</b>
Provided during the year	-
Amounts written off	-
Reversal of provisions	(114.90)
<b>As at March 31, 2018</b>	<b>581.36</b>

## Notes to the Standalone Financial Statements

### 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, 2018	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	8,227.15	2,177.15	6,050.00	-	8,227.15
Trade payables	102,524.98	-	102,524.98	-	102,524.98
Other Liabilities	6,551.46	-	6,417.31	134.15	6,551.46
<b>Total</b>	<b>117,303.59</b>	<b>2,177.15</b>	<b>114,992.29</b>	<b>134.15</b>	<b>117,303.59</b>

(₹ in lakhs)

As at March 31, 2017	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	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
<b>Total</b>	<b>146,913.06</b>	<b>3,456.23</b>	<b>143,273.92</b>	<b>182.91</b>	<b>146,913.06</b>

### 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, 2018	As at March 31, 2017
Bank overdraft and other facilities	21,772.85	21,043.77

### Note 50 : Capital Management

(a) The Company monitors capital using gearing ratio, which is net debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	8,227.15	10,956.23
Less: Cash & cash equivalent	16,585.78	2,611.25
Net Debt	(8,358.63)	8,344.98
Total Equity	122,284.30	112,550.24
Total Equity and Net Debt	113,925.67	120,895.22
<b>Net debt to equity plus debt ratio (Gearing Ratio)</b>	<b>-7%</b>	<b>7%</b>

## Notes to the Standalone Financial Statements

### Notes:-

- (i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 24 and 26.
- (ii) Total equity (as shown in balance sheet) includes issued capital and other equity.

### (b) Loan Covenants

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

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

### (C) Dividends

(₹ in lakhs)

Particulars	Recognised in the year ending	
	March 31, 2018	March 31, 2017
<b>(i) Dividends Recognised</b>		
Final dividend for the year ended March 31, 2017 of ₹ 15/- per equity share (March 31, 2016 ₹ 10/- per equity share)	1102.91	735.30
Interim dividend for the year ended March 31, 2018 of ₹ 16/- per equity share (March 31, 2017 ₹ 15/- per equity share)	1176.47	1102.91
<b>(ii) Dividend proposed but not recognised in the books of accounts</b>		
The Board in order to conserve the resources did not recommend any final dividend. (March 31, 2017 ₹ 15/- per equity share)	NIL	1102.91

### Note 51 : Revenue expenditure on Research & Development

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries & wages	106.68	79.44
Contribution to Provident & other Funds	5.88	4.22
Others	14.65	13.19
<b>Total</b>	<b>127.21</b>	<b>96.85</b>

## Notes to the Standalone Financial Statements

**Note 52 :** As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information is as under:-

Sr.No.	Particulars	Description	
a)	<b>Products covered for Cost Audit</b>	Ingots and Manufactured items of Engineering Machinery	
b)	<b>Full Particulars of Cost Auditor</b>	M/s Jugal K. Puri & Associates Cost Accountants Plot No. 3 , Sector-22 Gurgaon - 122 015, Haryana	
c)	<b>Filing of Cost Audit Report</b>	<b>Year ended March 31, 2018</b>	Year ended March 31, 2017
	i) Due Date of Filing of Cost Audit Report	<b>27.09.2018</b>	27.09.2017
	ii) Actual Date of Filing Cost Audit Report	<b>Not Yet Due</b>	12.09.2017

**Note 53 : 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.

**a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, "Foreign Currency Transactions and Advance Consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment is applicable for annual reporting periods beginning on or after April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

**b) Ind AS 115- Revenue from Contract with Customers:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



## Notes to the Standalone Financial Statements

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the possible impact of Ind AS 115 and will adopt the standard after due evaluation.

**Note 54 :** 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 C V & Co. LLP**  
Chartered Accountants  
Firm Regn. No.000235N / N500089

**Sanjay Kumar**  
Deputy General  
Manager(Accounts)

**J.K. Chowdhery**  
Head Internal Audit

**Kishore Chatnani**  
Chief Financial Officer

**For and on behalf of the Board of Directors**

**CA. Abhinav Khosla**  
Partner  
M.No. 087010

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

**Aditya Puri**  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

**Vinod Kumar Nagpal**  
Director  
DIN: 00147777

**Sidharth Prasad**  
Director  
DIN: 00074194

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**CONSOLIDATED  
FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ISGEC HEAVY ENGINEERING LIMITED

### Report on the Consolidated Ind AS 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 which comprise the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss (including other comprehensive income) and the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended. The respective Board of Directors of the Holding Company, its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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.

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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 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 Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 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 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 Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, its consolidated financial performance including consolidated other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 42 (d) to the consolidated Ind AS financial statements which describes the nature and expected outcome with respect to the ongoing litigation regarding the Bio-refinery project in Philippines. Our opinion is not modified in respect of this matter.

### **Other Matters**

The comparative Consolidated Ind AS financial statements of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS and included in this statement have been audited by the predecessor auditor. The report of the predecessor auditor dated May 29, 2017 on the comparative Consolidated Ind AS financial statements expressed an unmodified opinion.

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We did not audit the financial Statement of 8 subsidiaries, whose financial statement reflect total asset of ₹ 26,574.70 Lakhs as at March 31, 2018, the total revenue of ₹ 46,486.41 Lakhs and net cash flow of ₹ 779.17 Lakhs for the year ended March 31, 2018. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion on the financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (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 purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements.
  - (b) In our opinion, proper books of account, as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the report of other auditor.
  - (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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 for Consolidated Ind AS Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of written representations received from the Directors of the holding company as on March 31, 2018 taken on record by the Board of Directors of the holding company and the statutory report of the statutory auditor of its subsidiary companies, none of the Directors of Group Companies, is disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the holding company, its Subsidiaries and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a) The Consolidated Ind AS Financial Statements disclose the impact of pending litigation on

its Consolidated Ind AS Financial Statements of the Holding Company and its subsidiaries. Refer Note 42 to the Consolidated Ind AS Financial Statements.

- b) Provision has been made in the Consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- c) During the year, there are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

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

**(Abhinav Khosla)**  
Partner  
Membership No. 087010

**Place:** Noida  
**Date:** May 28, 2018

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## **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in Paragraph (1)(f) 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of Isgec Heavy Engineering Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018.**

### **Report on the Internal Financial Controls**

(under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act"))

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2018, We have audited the internal financial controls over financial reporting of **Isgec Heavy Engineering Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary, 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 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its Subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

### **Other Matters**

Our aforesaid reports 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 Subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**(Abhinav Khosla)**  
Partner  
Membership No. 087010

**Place:** Noida

**Date:** May 28, 2018

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**CONSOLIDATED BALANCE SHEET as at March 31, 2018**

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	4	57,584.67	57,855.71
(b) Capital work - in - progress		3,155.09	1,782.69
(c) Goodwill on Consolidation		530.07	530.07
(d) Intangible assets	5	4,763.93	3,885.77
(e) Intangible assets under development		-	127.93
(f) Financial assets			
(i) Investments	6	523.08	825.97
(ii) Trade receivables	7	3,630.92	4,567.86
(iii) Loans	8	451.21	472.18
(iv) Other financial assets	9	1,193.66	1,043.37
(g) Deferred tax assets	10	269.02	863.12
(h) Other non - current assets	11	957.07	110.33
<b>Total non-current assets</b>		<b>73,058.72</b>	<b>72,065.00</b>
<b>(2) Current assets</b>			
(a) Inventories	12	83,997.13	107,575.22
(b) Financial assets			
(i) Investments	13	36,600.53	68,845.65
(ii) Trade receivables	14	113,600.22	113,335.27
(iii) Cash and cash equivalents	15	17,968.23	3,569.93
(iv) Bank balances other than (iii) above	16	6,058.46	10,602.75
(v) Loans	17	1,042.25	1,134.99
(vi) Other financial assets	18	5,561.79	3,888.17
(c) Current tax assets	19	1.71	2.59
(d) Other current assets	20	44,984.34	31,215.86
<b>Total current assets</b>		<b>309,814.66</b>	<b>340,170.43</b>
<b>Total assets</b>		<b>382,873.38</b>	<b>412,235.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	21	735.29	735.29
(b) Other equity	22	137,377.58	124,628.90
<b>Equity attributable to owners of Parent</b>		<b>138,112.87</b>	<b>125,364.19</b>
Non Controlling Interest		7,183.32	6,050.62
<b>Total equity</b>		<b>145,296.19</b>	<b>131,414.81</b>
<b>LIABILITIES</b>			
<b>(1) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	-	3,701.10
(ii) Other financial liabilities	24	161.12	418.21
(b) Provisions	25	5,405.92	7,151.75
(c) Deferred tax liabilities	10	662.60	1,226.47
(d) Other non - current liabilities	26	25,383.94	14,912.27
<b>Total non-current liabilities</b>		<b>31,613.58</b>	<b>27,409.80</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	27	14,319.62	29,978.81
(ii) Trade payables	28	110,994.91	141,665.97
(iii) Other financial liabilities	29	11,049.58	9,705.95
(b) Other current liabilities	30	55,126.35	56,926.06
(c) Provisions	31	14,142.29	14,731.40
(d) Current tax liabilities	19	330.86	402.63
<b>Total current liabilities</b>		<b>205,963.61</b>	<b>253,410.82</b>
<b>Total equity &amp; liabilities</b>		<b>382,873.38</b>	<b>412,235.43</b>

The accompanying notes from 1 to 55 form an integral part of the financial statements

As per our report of even date.

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

Sanjay Kumar  
Deputy General  
Manager(Accounts)

J.K. Chowdhery  
Head Internal Audit

Kishore Chatnani  
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla  
Partner  
M.No. 087010

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

Aditya Puri  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

Vinod Kumar Nagpal  
Director  
DIN: 00147777

Sidharth Prasad  
Director  
DIN: 00074194

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended March 31, 2018**

(₹ in lakhs)

Particulars		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	32	382,585.97	405,589.08
II	Other income	33	5,727.96	9,362.11
III	<b>Total income (I + II)</b>		<b>388,313.93</b>	<b>414,951.19</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	34	116,632.52	106,379.88
	Purchase of stock-in-trade		72,852.19	117,874.55
	Excise duty		3,493.64	13,910.41
	Erection and civil cost		32,424.05	37,811.36
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	35	25,385.70	(9,882.73)
	Employee benefits expense	36	34,000.97	32,725.11
	Finance costs	37	2,215.76	4,312.04
	Depreciation and amortization expense	38	8,074.99	7,528.61
	Other expenses	39	68,128.47	67,600.13
	<b>Total expenses</b>		<b>363,208.29</b>	<b>378,259.36</b>
V	<b>Profit before tax (III - IV)</b>		<b>25,105.64</b>	<b>36,691.83</b>
VI	<b>Tax expense</b>	40		
	(1) Current tax		9,253.42	10,183.42
	(2) Deferred tax		(792.03)	2,084.09
	(3) MAT credit entitlement		(196.43)	(409.42)
	<b>Total tax expense</b>		<b>8,264.96</b>	<b>11,858.09</b>
VII	<b>Profit for the year (V -VI)</b>		<b>16,840.68</b>	<b>24,833.74</b>
VIII	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of post employment benefits obligations		240.71	(56.25)
	(b) Equity instruments through other comprehensive income		(302.90)	502.84
	(c) Income tax relating to items that will not be reclassified to profit or loss		(53.85)	18.18
B	(ii) Items that will be reclassified to profit or loss			
	(a) Change in fair value of cross currency interest rate swap		0.15	(39.34)
	(b) Reclassified to profit or loss		24.23	55.02
	<b>Total other comprehensive income</b>		<b>(91.66)</b>	<b>480.45</b>
IX	<b>Total comprehensive income (VII + VIII)</b>		<b>16,749.02</b>	<b>25,314.19</b>
	<b>Profit for the year</b>		16,840.68	24,833.74
	<b>Attributable to:</b>			
	Owners of the parent		15,727.85	24,209.33
	Non-controlling interests		1,112.83	624.41
	<b>Other comprehensive for the year</b>			
	<b>Attributable to:</b>			
	Owners of the parent		(111.53)	484.51
	Non-controlling interests		19.87	(4.06)
	<b>Total comprehensive income of the year:</b>		16,749.02	25,314.19
	<b>Attributable to:</b>			
	Owners of the parent		15,616.32	24,693.84
	Non-controlling interests		1,132.70	620.35
X	<b>Earnings per equity share (nominal value of ₹ 10/- each) for Profit attributable to Owners of the Parent</b>	41		
	Basic		213.90	329.25
	Diluted		213.90	329.25

The accompanying notes from 1 to 55 form an integral part of the financial statements

**As per our report of even date.**

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

Sanjay Kumar  
Deputy General  
Manager(Accounts)

J.K. Chowdhery  
Head Internal Audit

Kishore Chatnani  
Chief Financial Officer

**For and on behalf of the Board of Directors**

CA. Abhinav Khosla  
Partner  
M.No. 087010

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

Aditya Puri  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

Vinod Kumar Nagpal  
Director  
DIN: 00147777

Sidharth Prasad  
Director  
DIN: 00074194

**Consolidated Cash Flow Statement for the year ended March 31, 2018**

(₹ in lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
<b>A</b>	<b>Operating Activities</b>		
	<b>Profit before tax</b>	<b>25,105.64</b>	<b>36,691.83</b>
	<b>Adjustments for :</b>		
	Depreciation and amortization expenses	8,074.99	7,528.65
	Preliminary expenses written off	3.63	-
	(Profit)/Loss on diminution in value of stores and investments	7.55	6.32
	(Gain) / Loss on disposal of property, plant and equipment	(30.80)	(39.03)
	(Gain) / loss on sale of financial instruments	(1,312.75)	(3,718.36)
	Fair valuation of investments	(2,330.94)	(1,444.32)
	Income from investment - dividends	(36.36)	(2.08)
	Bad debts written off	0.42	1.47
	Liability no longer required written back	(1,244.38)	(1,318.34)
	Interest income	(1,611.64)	(3,178.07)
	Finance costs	2,215.76	4,312.04
	Provision for warranty	(295.37)	540.52
	<b>Cash flow before working capital adjustments</b>	<b>28,545.75</b>	<b>39,380.63</b>
	<b>Working capital adjustments</b>		
	Increase/(decrease) in trade receivables	671.57	25,122.70
	(Increase)/decrease in current financial assets	(11,731.97)	(19,329.01)
	(Increase)/decrease in inventories	23,570.54	(18,042.11)
	Increase/(decrease) in financial liabilities	(20,824.06)	7,903.33
	Increase/(decrease) in provision /other payables	(1,798.86)	(396.32)
	<b>Cash flow after working capital requirements</b>	<b>18,432.97</b>	<b>34,639.22</b>
	Income Tax paid (net of refund)	(8,359.48)	(10,994.20)
	<b>Net cash from operating activities</b>	<b>10,073.49</b>	<b>23,645.02</b>
<b>B</b>	<b>Investing activities</b>		
	Proceeds from sale of property, plant and equipment	368.46	143.33
	Purchase of property, plant and equipment including capital work-in-progress and intangible assets	(8,348.83)	(8,902.92)
	Purchase of intangible assets	(1,915.40)	(356.20)
	Sale / (Purchase) of equity shares / mutual funds	35,888.80	(8,555.50)
	Proceeds from sale of financial instruments	(150.29)	(91.81)
	Interest received	1,733.52	3,518.97
	Dividend received	36.36	2.08
	Acquisition of a subsidiary	-	98.00
	<b>Net cash flow from / (used in) investing activities</b>	<b>27,612.63</b>	<b>(14,144.05)</b>
<b>C</b>	<b>Financing activities</b>		
	Dividend paid on equity shares	(2,384.49)	(1,817.75)
	Dividend tax paid	(449.51)	(374.44)
	Finance cost - long term / short term	(2,303.01)	(4,208.61)
	Proceeds/( repayment) from borrowings	(18,150.80)	(30,571.43)

**Consolidated Cash Flow Statement for the year ended March 31, 2018**

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Net cash flow from / (used in) financing activities</b>	<b>(23,287.81)</b>	<b>(36,972.23)</b>
Net increase in cash and cash equivalents	14,398.30	(27,471.26)
Cash and cash equivalents at the beginning of the year	3,569.93	31,041.19
Cash and cash equivalents at the end of the year	17,968.23	3,569.93
<b>Components of cash and cash equivalents</b>		
Cash, Cheques & Drafts on hand	45.87	39.64
Balance with Scheduled Banks	2,579.42	3,217.46
Bank term deposits	15,342.94	312.83
<b>Cash and cash equivalents</b>	<b>17,968.23</b>	<b>3,569.93</b>

**Notes:**

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

Particulars	(₹ in lakhs) Total borrowing
Opening balance as on April 1, 2017	35,559.51
Non-cash changes due to	
- Interest expense	-
- Others	-
Cash flows during the year	(18,150.80)
<b>Closing balance as on March 31, 2018</b>	<b>17,408.71</b>

- Figures in brackets indicate cash outgo.
- 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 C V & Co. LLP**

Chartered Accountants

Firm Regn. No.000235N / N500089

**Sanjay Kumar**

Deputy General

Manager(Accounts)

**J.K. Chowdhery**

Head Internal Audit

**Kishore Chatnani**

Chief Financial Officer

**For and on behalf of the Board of Directors****CA. Abhinav Khosla**

Partner

M.No. 087010

Place : Noida

Dated : May 28, 2018

**S.K. Khorana**

Executive Director &amp; Company Secretary

M.No.1872

**Vinod Kumar Nagpal**

Director

DIN: 00147777

**Aditya Puri**

Managing Director

DIN: 00052534

**Sidharth Prasad**

Director

DIN: 00074194

## Statement of changes in Equity in the Consolidated Financial Statement for the year ended March 31, 2018

### A. Equity Share Capital (₹ in lakhs)

Particulars	Amount
As at April 1, 2016	735.29
Change during the year	-
As at March 31, 2017	735.29
Change during the year	-
As at March 31, 2018	735.29

### B. Other equity (₹ in lakhs)

Particulars	Attributable to Owners of the Parent							Total Other Equity	Non Controlling Interest	Total
	Reserves and surplus					Items of other comprehensive income				
	Capital reserve	Securities premium account	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges			
Balance as at April 1, 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 year	-	-	-	-	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)
Balance 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
Capital contribution by non controlling shareholders	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	15,727.85	-	-	15,727.85	1,112.83	16,840.68
Other comprehensive income for the year	-	-	-	-	178.94	(302.90)	12.42	(111.53)	19.87	(91.66)
Total comprehensive income for the year	-	-	-	-	15,906.79	(302.90)	12.42	15,616.32	1,132.70	16,749.02
Dividend paid	-	-	-	-	(2,418.13)	-	-	(2,418.13)	-	(2,418.13)
Corporate Dividend tax	-	-	-	-	(449.51)	-	-	(449.51)	-	(449.51)
Balance as at March 31, 2018	0.01	450.22	3.24	18,816.93	117,772.60	326.61	7.96	137,377.58	7,183.32	144,560.90

As per our report of even date.

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

Sanjay Kumar  
Deputy General  
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J.K. Chowdhery  
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For and on behalf of the Board of Directors

CA. Abhinav Khosla  
Partner  
M.No.M.No.087010

S.K. Khorana  
Executive Director & Company Secretary  
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Aditya Puri  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

Vinod Kumar Nagpal  
Director  
DIN: 00147777

Sidharth Prasad  
Director  
DIN: 00074194

## Notes to the Consolidated Financial Statements

### 1. Corporate Information

Isgec Heavy Engineering Limited (the “Company”) 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. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at March 31, 2018. 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 loses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the 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 March 31.

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.

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## Notes to the Consolidated Financial Statements

### 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 intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statement. Ind AS 12 Income tax applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

### 3. Summary of Significant Accounting Policies

#### 3.1 Basis of Preparation and Statement of Compliance

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

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

The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. The financial statements were authorized for issue by the company's Board of Directors on May 28, 2018.

#### 3.2 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 April 1, 2014. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

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## Notes to the Consolidated Financial Statements

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 acquire are assigned to those units.

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## Notes to the Consolidated Financial Statements

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### 3.3 Use of Estimates

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

### 3.4 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
-

## Notes to the Consolidated Financial Statements

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

The company classifies all other liabilities as non-current.

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

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

### 3.5 Revenue Recognition

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, recovery of the consideration is probable and no significant uncertainty exists to its realisation or collection.

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 transfer of significant risks and rewards of ownership and effective control to the buyer. 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 presented gross of excise duty and net of Goods and Services Tax (GST), Value Added Tax (VAT)/ Sales Tax, wherever applicable.

#### Revenue from Construction Contracts

Contract Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the government.

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. Stage of completion of each contract is determined by survey of work completed.

Under the percentage of completion method, contract revenue is recognised as revenue in the statement of profit and loss in the accounting periods in which the work is performed. Contract costs are usually recognised

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## Notes to the Consolidated Financial Statements

as an expense in the statement of profit and loss in the accounting periods in which the work to which they relate is performed.

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

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

### Other Income

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

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

### Rental Income

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

### Dividend

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

### 3.6 Inventories

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

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

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

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

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## Notes to the Consolidated Financial Statements

### 3.7 Property, Plant & Equipment

#### Recognition

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

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

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

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

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

#### De-recognition

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

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

### 3.8 Intangible Assets

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

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

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

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## Notes to the Consolidated Financial Statements

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

### 3.9 Depreciation and Amortization

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

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

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

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

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

### 3.10 Impairment of Non-Financial Assets

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

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

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

### 3.11 Employee Benefits

#### (i) Provident Fund

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

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## Notes to the Consolidated Financial Statements

### (ii) Gratuity

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

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

### (iii) Leave Encashment

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

### (iv) Retirement Benefits

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

### (v) Pension

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

### (vi) Superannuation Benefit

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

### (vii) Other Short Term Benefits

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

### 3.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the

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## Notes to the Consolidated Financial Statements

arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Where the Company is the lessee

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

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

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

### Where the Company is the lessor

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

## 3.13 Taxes

### Current income tax

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

### Deferred Tax

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

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

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

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## Notes to the Consolidated Financial Statements

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

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

Deferred tax relating to items recognized in Other Comprehensive Income is recognized Other Comprehensive Income.

### 3.14 Borrowing Cost

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

### 3.15 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is disclosed when

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

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## Notes to the Consolidated Financial Statements

### 3.16 Earning Per Share

Basic earning per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

### 3.17 Financial instruments

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

#### Initial recognition

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

#### Subsequent measurement

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

##### A. Non-derivative financial instruments

##### (i) Debt instrument carried at amortized cost

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

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

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

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## Notes to the Consolidated Financial Statements

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

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

### (iv) Financial liabilities

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

## B. Derivative financial instruments

### (i) Initial recognition and subsequent measurement

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

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

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

For the purpose of hedge accounting, hedges are classified as follows:-

#### Cash Flow Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

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## Notes to the Consolidated Financial Statements

### 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.

### 3.18 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 “Statement of Cash flows” using the indirect method for operating activities.

### 3.19 Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

### 3.20 Impairment of Financial Assets

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

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are

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## Notes to the Consolidated Financial Statements

measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### 3.21 Government Grants

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

### 3.22 Foreign currencies

#### i. Initial recognition

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

#### ii. Conversion

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

#### iii. Exchange differences:

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

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

### 3.23 Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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## Notes to the Consolidated Financial Statements

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.

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## Notes to the Consolidated Financial Statements

### Note 4 : Property, plant & equipment

(₹ in lakhs)

Particulars	Land (Freehold)	Land (Leasehold)	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
<b>Gross carrying value</b>								
As at April 1, 2016	12,481.36	3,521.92	22,236.98	62,946.76	1,907.99	2,012.03	4,654.97	109,762.01
Additions	-	-	909.20	6,267.25	45.03	319.44	613.88	8,154.80
Disposals	-	-	1.08	415.00	7.83	220.08	103.82	747.81
<b>As at March 31, 2017</b>	12,481.36	3,521.92	23,145.10	68,799.01	1,945.19	2,111.39	5,165.03	1,17,168.99
Adjustments	-	-	(5.45)	(1,177.80)	(50.29)	(195.00)	5.01	(1,423.53)
Additions	65.26	-	597.94	5,463.00	185.17	375.87	289.19	6,976.43
Disposals	-	-	14.14	1,183.02	36.51	488.52	85.32	1,807.51
<b>As at March 31, 2018</b>	<b>12,546.62</b>	<b>3,521.92</b>	<b>23,723.45</b>	<b>71,901.19</b>	<b>2,043.56</b>	<b>1,803.74</b>	<b>5,373.91</b>	<b>120,914.38</b>
<b>Accumulated depreciation</b>								
As at April 1, 2016	-	642.65	9,515.58	37,190.04	1,111.71	1,433.94	3,597.81	53,491.73
Charge for the year	-	72.94	1,209.38	4,269.33	105.96	231.70	576.32	6,465.63
Disposals	-	-	0.95	350.20	7.56	187.44	97.94	644.09
<b>As at March 31, 2017</b>	-	715.59	10,724.01	41,109.18	1,210.11	1,478.20	4,076.19	59,313.28
Charge for the year	-	72.83	1,188.04	4,494.13	525.86	218.38	410.59	6,909.82
Disposals	-	-	9.18	994.41	32.48	354.62	79.16	1,469.85
Adjustments	-	-	(5.42)	(1,171.94)	(42.89)	(195.00)	(8.28)	(1,423.53)
<b>As at March 31, 2018</b>	-	<b>788.42</b>	<b>11,897.45</b>	<b>43,436.95</b>	<b>1,660.60</b>	<b>1,146.96</b>	<b>4,399.34</b>	<b>63,329.72</b>
<b>Net carrying value</b>								
As at March 31, 2017	12,481.36	2,806.33	12,421.09	27,689.82	735.08	633.19	1,088.84	57,855.71
<b>As at March 31, 2018</b>	<b>12,546.62</b>	<b>2,733.50</b>	<b>11,826.00</b>	<b>28,464.23</b>	<b>382.96</b>	<b>656.78</b>	<b>974.57</b>	<b>57,584.67</b>

#### Notes:

- (i) Contractual commitment towards purchase of property, plant and equipment, refer note - 42
- (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

### Note 5 : Intangible assets

(₹ in lakhs)

Particulars	Software	Technical know how	Total
<b>Gross carrying value</b>			
As at April 1, 2016	2,784.89	6,582.77	9,367.66
Additions	228.46	-	228.46
Disposals	-	-	-
As at March 31, 2017	3,013.35	6,582.77	9,596.12
Additions	278.46	1,764.87	2,043.33
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>3,291.81</b>	<b>8,347.64</b>	<b>11,639.45</b>
<b>Accumulated depreciation</b>			
As at April 1, 2016	1,448.06	3,199.31	4,647.37
Charge for the year	416.44	646.53	1,062.97
Disposals	-	-	-
As at March 31, 2017	1,864.51	3,845.84	5,710.35
Charge for the year	447.90	717.26	1,165.16
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>2,312.41</b>	<b>4,563.10</b>	<b>6,875.51</b>
<b>Net carrying value</b>			
As at March 31, 2017	1,148.84	2,736.93	3,885.77
<b>As at March 31, 2018</b>	<b>979.39</b>	<b>3,784.54</b>	<b>4,763.93</b>

## Notes to the Consolidated Financial Statements

### Note 6 : Non-current financial assets - Investments

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
<b>Investments in equity instruments</b>				
<b>(a) Other companies (quoted)</b>				
DCM Shriram Industries Limited (Face value of ₹ 10 each)	265,000	522.45	265,000	825.34
<b>(b) Investments in government or trust securities (Unquoted)</b>				
Post Office Saving Account	-	0.60	-	0.60
<b>(c) Others</b>				
SVC Co-operative Bank Limited (Face value of ₹ 25 each)	100	0.03	100	0.03
<b>Total investments</b>		523.08		825.97
<b>i) Aggregate Value of Investments:</b>				
Aggregate amount of quoted investments:		522.45		825.34
Aggregate amount of unquoted investments:		0.63		0.63
Aggregate amount of impairment in value of investments:		-		-
ii) Investment in Post Office Saving Account have been pledged as security with Cane Commissioner, Haryana.				

### Note 7 : Non-current financial assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	3,630.92	4,567.86
Unsecured considered doubtful	9.10	10.82
Less: allowance for expected credit losses	(9.10)	(10.82)
<b>Total</b>	<b>3,630.92</b>	<b>4,567.86</b>

### Note 8 : Non-current financial assets -Loans

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Loans to employees</b>		
Secured, considered good	355.03	360.01
Unsecured, considered good	96.18	112.17
<b>Total</b>	<b>451.21</b>	<b>472.18</b>



## Notes to the Consolidated Financial Statements

### Note 9 : Non-current financial assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good</b>		
Security deposit *	805.44	813.55
Fixed deposits with banks having maturity of more than twelve months (under lien)	388.22	229.82
<b>Total</b>	<b>1,193.66</b>	<b>1,043.37</b>

\* includes balances with related parties (refer note 45)

### Note 10 : Deferred tax assets / liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets ( refer note 10.1 )	269.02	863.12
Deferred tax liabilities ( refer note 10.2 )	662.60	1,226.47

### Note 10.1 : The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Deferred tax assets</b>		
Employee benefits	1,208.99	53.07
Provisions	-	5.90
Property, plant & equipment	(1,428.95)	(261.07)
Brought forward business losses	34.25	17.24
Other items	180.50	5.31
<b>Net deferred tax assets/(liabilities)</b>	<b>(5.20)</b>	<b>(179.55)</b>
<b>(b) MAT credit entitlement</b>	<b>274.22</b>	<b>1,042.66</b>
<b>Total deferred tax assets/(liabilities)</b>	<b>269.02</b>	<b>863.12</b>

## Notes to the Consolidated Financial Statements

### Movement in Deferred tax Assets

(₹ in lakhs)

Particulars	Employee Benefits	Provisions	Property, Plant & Equipment	B/F Business Losses	Other items	Total
As at April 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
As at March 31, 2017	53.07	5.90	(261.07)	17.24	5.31	(179.55)
(Charged)/credited:-						
-to profit & loss	1,226.44	(5.90)	(1,167.88)	17.01	175.19	244.86
-to other comprehensive income	(70.51)	-	-	-	-	(70.51)
As at March 31, 2018	1,208.99	-	(1,428.95)	34.25	180.50	(5.20)

### Movement in MAT credit entitlement (DTA)

(₹ in lakhs)

Particulars	Amount
As at April 1, 2016	633.38
(Charged)/credited:-	
-to profit & loss	409.28
-to other comprehensive income	-
As at March 31, 2017	1,042.66
(Charged)/credited:-	
-to profit & loss	(196.43)
-to other comprehensive income	-
-adjusted in current tax	(572.01)
As at March 31, 2018	274.22

### Note 10.2 The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Deferred Tax Liabilities</b>		
Employee benefits	110.07	1,084.07
Property, plant & equipment	(895.80)	(2,347.82)
Other items	123.13	37.28
<b>Net deferred tax assets/(liabilities)</b>	<b>(662.60)</b>	<b>(1,226.47)</b>

## Notes to the Consolidated Financial Statements

### Movement in deferred tax liabilities

(₹ in lakhs)

Particulars	Defined Benefit Obligation/Employee Benefits	Property, Plant & Equipment	Other items	Total
<b>As at April 1, 2016</b>	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
<b>As at March 31, 2017</b>	1,084.07	(2,347.82)	37.28	(1,226.47)
(Charged)/ credited:-				
-to profit & loss	(974.00)	1,452.02	69.14	547.16
-to other comprehensive income	-	-	16.71	16.71
<b>As at March 31, 2018</b>	<b>110.07</b>	<b>(895.80)</b>	<b>123.13</b>	<b>(662.60)</b>

### Note 11 : Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances	906.94	72.07
WCT receivables	24.90	24.90
Service tax on input services	15.47	-
Prepaid expenses	9.56	-
Income tax on cumulative deposit scheme	-	9.53
Others	0.20	3.83
<b>Total</b>	<b>957.07</b>	<b>110.33</b>

## Notes to the Consolidated Financial Statements

### Note 12 : Inventories (lower of cost or net realisable value)

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Raw materials</b>		
Raw materials	17,793.32	17,372.65
Raw materials in transit	1,801.88	1,616.70
<b>Work - in - progress</b>		
-Engineering goods	30,630.62	38,200.36
-Ingots and steel castings	2,783.27	1,697.66
-Erection	-	762.95
-Sugar	112.81	116.99
-Other stock	4.29	5.61
<b>Finished goods</b>		
-Engineered goods	249.00	240.00
-Sugar	24,812.00	40,933.95
-Molasses	239.00	922.30
<b>Traded goods</b>		
Goods traded in transit	1,734.85	2,982.32
Stores & spares	3,791.70	2,686.38
Stores & spares in transit	-	3.51
Loose tools & others	44.39	33.84
<b>Total</b>	<b>83,997.13</b>	<b>107,575.22</b>

For inventories pledged as security, please refer note no. 27

## Notes to the Consolidated Financial Statements

### Note 13 : Current financial assets - Investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/units	Amount (₹ in lakh)	No. of Shares/units	Amount (₹ in lakh)
<b>At fair value through profit and loss</b>				
<b>a) Investments in equity instruments</b>				
<b>-Quoted</b>				
Reliance Industries Limited	1,408	12.43	704	9.29
Reliance Power Limited	872	0.32	872	0.42
Shares held under equity portfolio management service (refer note 13.1)		266.94		239.76
		279.69		249.47
<b>b) Investments in bonds &amp; debentures</b>				
<b>-Quoted</b>				
Canara Bank	50	500.00	50	500.00
ECL Finance Limited	-	-	50,000	500.00
Citicorp Finance (India) Limited NCD Series-575	-	-	500	545.65
Citicorp Finance (India) Limited NCD Series-604 (Tranche 7)	500	553.10	500	515.85
Citicorp Finance (India) Limited NCD Series-604 (Tranche 8)	500	572.60	500	502.65
Citicorp Finance (India) Limited NCD Series-608	-	-	1,000	1,016.60
Reliance Capital Limited NCD Series B/406	1,000	1,074.40	1,000	995.13
Citicorp Finance (India) Limited NCD Series-629	2,500	2,676.75	2,500	2,500.00
Citicorp Finance (India) Limited NCD Series-632	2,500	2,681.75	2,500	2,500.00
Edelweiss Finance & Investment Limited NCD Series-L7L501A	-	-	300	339.91
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	54	550.90	47	474.64
7.55% Dewan Bonds	40	410.23	-	-
7.80% HDFC Bonds	1	102.80	-	-
7.92% IHFLIN Bonds	23	234.41	-	-
8.73% LIC HF Bonds	-	-	25	261.30
8.38% LIC HF Bonds	4	41.36	-	-
Indiabulls Housing Finance Limited Bonds	-	-	11	110.66
		9,398.30		12,316.28
<b>c) Investments in mutual funds</b>				
<b>-Unquoted</b>				
Aditya Birla Sunlife Floating Rate Fund - Long Term - Growth - Direct Plan	-	-	1,343,522	2,695.74
Aditya Birla Sun Life Short Term Fund -Growth-Direct Plan	3,234,779	2,161.50	4,972,176	3,109.76
Aditya Birla Sun Life Fixed Term Plan - Series OD (1145 days) - Growth Direct Plan	5,000,000	537.07	5,000,000	502.94
Aditya Birla Sun Life Fixed Term Plan - Series OH (1120 days) - Growth Direct Plan	5,000,000	538.46	5,000,000	504.36
DHFL Pramerica Banking and PSU Debt Fund - Direct Plan - Growth	7,035,911	1,080.12	7,035,911	1,012.92
DHFL Pramerica Fixed Duration Fund - Series AB - Direct Plan - Growth	50,000	547.94	50,000	503.81
DHFL Pramerica Fixed Duration Fund - Series AE - Direct Plan - Growth	50,000	537.34	50,000	502.78
DSP BlackRock Short Term Fund - Direct Plan - Growth	1,795,184	548.71	1,795,184	514.06

## Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/units	Amount (₹ in lakh)	No. of Shares/units	Amount (₹ in lakh)
DSP BlackRock Banking and PSU Debt Fund - Direct - Growth	5,845,213	870.55	5,845,213	819.12
HDFC Banking and PSU Debt Fund- Direct Growth Option	12,719,500	1,804.72	12,719,500	1,688.86
HDFC Medium Term Opportunity Fund-Direct Plan-Growth Option	7,747,479	1,503.61	7,747,479	1,408.30
HDFC FMP 1150D Feb 2017(1)-Direct-Growth-Series-37	8,000,000	860.15	8,000,000	805.87
ICICI Prudential Income - Direct Plan - Growth	-	-	1,127,467	614.66
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	-	-	2,324,522	611.61
ICICI Prudential Savings Fund-Direct Plan-Growth	-	-	891,708	2,245.18
ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	-	9,696,708	1,659.34
IDFC Corporate Bond Fund Direct Plan-Growth	2,000,000	239.41	2,000,000	224.32
Kotak Low Duration Fund Direct Growth	-	-	86,052	1,747.36
Mahindra Liquid Fund - Direct - Growth	-	-	73,679	775.57
Reliance Short Term Fund - Direct Growth Plan Growth Option	-	-	5,775,750	1,825.18
Reliance Dynamic Bond Fund-Direct Growth Plan	2,148,730	515.62	7,397,280	1,701.26
Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan-Growth Option	-	-	1,050,575	246.80
Reliance Fixed Horizon Fund - XXVII - Series 15 - Growth Plan	5,000,000	649.44	5,000,000	608.04
Reliance Fixed Horizon Fund - XXVIII - Series 2 - Direct Plan Growth Plan	5,000,000	651.77	5,000,000	607.98
Reliance Medium Term Fund-Direct Growth Plan-Growth Option	-	-	2,892,506	1,003.40
Reliance Fixed Horizon Fund-XXX-Series 17-Direct Growth Plan	5,000,000	588.06	5,000,000	548.79
Reliance Fixed Horizon Fund-XXX-Series-10-Direct Growth Plan	5,000,000	593.13	5,000,000	553.92
Reliance Liquid Fund-Cash Plan-Growth Option-Growth Plan	54,796	1,476.70	-	-
SBI Debt Fund Series A 16 - 366 days -Regular - Growth	-	-	6,000,000	760.75
SBI Ultra Short Debt Fund - Regular Plan - Growth	-	-	77,364	1,625.00
SBI Dual Advantage Fund-Series XI-Regular-Growth	1,000,000	118.60	1,000,000	111.43
SBI Corporate Bond Fund-Regular Plan-Growth	-	-	2,185,831	572.88
SBI Dual Advantage Fund-Series XII-Regular-Growth	1,000,000	119.11	1,000,000	111.41
SBI Regular Savings Fund-Direct Plan-Growth	-	-	8,122,464	2,367.22
SBI Debt Fund Series-B-34 (1131 Days)-Direct Growth	10,000,000	1,177.52	10,000,000	1,102.32
SBI Dual Advantage Fund-Series XV-Regular-Growth	2,000,000	229.08	2,000,000	215.62
SBI Premier Liquid Fund - Regular Plan - Growth	55,329	1,502.51	125,743	3,201.03
SBI Short Term Debt Fund - Regular Plan - Growth	10,074,606	2,017.55	15,124,779	2,858.72
SBI Dual Advantage Fund-Series XIX-Regular-Growth	1,000,000	107.53	1,000,000	100.73
SBI Debt Fund Series-B-46 (1155 Days)-Direct Growth	5,000,000	535.81	5,000,000	503.03
SBI Debt Fund Series-B-49 (1170 Days)-Direct Growth	5,000,000	536.65	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	1,090.64	10,000,000	1,007.23
Invesco India Medium Term Bond Fund-Direct Plan Growth	-	-	91,414	1,548.52
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
UTI Short Term Income Fund-Institutional Option-Direct Plan-Growth	-	-	7,181,427	1,459.48
Aditya Birla Sun Life Cash Plus - Direct - Growth	-	-	34,494	90.14
		<b>23,139.30</b>		<b>51,793.63</b>
<b>d) Other investments</b>				
<b>-Unquoted</b>				
ASK Real Estate Special Opportunities Fund		240.00		152.50
Reliance Yield Maximiser Fund		272.53		368.19

## Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/units	Amount (₹ in lakh)	No. of Shares/units	Amount (₹ in lakh)
Edelweiss (Ambit) Alpha Fund		231.57		216.49
India Whizdom Fund		111.35		53.80
Edelweiss Real Estate Opportunities Fund (EROF)		95.00		64.00
IDFC Score Fund		107.45		42.00
Indiabulls High Yield Fund		196.88		98.83
DSP Blackrock India Enhanced Equity Fund		219.20		205.98
Annuities in senior Secured Estate Transactions II Fund- Essel Finance		200.00		50.00
ASK Real Estate Special Situations Fund		40.00		10.00
Indiabulls Dual Advantage Commercial Asset Fund		249.80		125.49
Reliance Yield Maximiser Scheme-III		519.46		500.00
		<b>2,483.24</b>		<b>1,887.28</b>
<b>e) Deposits</b>				
<b>-Unquoted</b>				
HDFC Limited		-		500.00
Mahindra & Mahindra Financial Services Limited		-		99.00
Bajaj Finance Limited		300.00		600.00
PNB Housing Finance Limited		1,000.00		1,000.00
Dewan Housing Finance Corporation Limited		-		400.00
		<b>1,300.00</b>		<b>2,599.00</b>
<b>Total current investments (a + b + c + d + e)</b>		<b>36,600.53</b>		<b>68,845.65</b>
<b>Aggregate value of investments :</b>				
Aggregate amount of quoted investments		9,677.99		12,565.75
Aggregate amount of unquoted investments		26,922.54		56,279.90
Aggregate amount of impairment in value of investments		-		-

### Note 13.1 : Details of shares held under equity portfolio management service with "ASK Investment Managers Pvt. Ltd.

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/units	Amount (₹ in lakh)	No. of Shares/units	Amount (₹ in lakh)
Ajanta Pharma Limited	-	-	453	7.97
Amara Raja Batteries Limited	-	-	1,295	11.51
Asian Paints Limited	1,184	13.27	971	10.40
Bajaj Finance Limited	1,066	18.87	1,400	16.44
Bajaj Finserv Limited	343	17.76	343	14.02
Blue Dart Express Limited	-	-	217	11.23
Dalmia Bharat Limited	-	-	348	6.85
Divi's Laboratories Limited	1,085	11.82	-	-
Eicher Motors Limited	51	14.45	51	13.03
Gruh Finance Limited	3,497	20.18	3,497	13.84
HDFC Bank Limited	993	18.78	993	14.32
Hindustan Petroleum Corporation Limited	4,150	14.28	2,478	13.02
Indusind Bank Limited	925	16.61	-	-

## Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares/units	Amount (₹ in lakh)	No. of Shares/units	Amount (₹ in lakh)
Kajaria Ceramics Limited	1,920	10.89	1,920	11.23
Lupin Limited	-	-	730	10.55
M R F Limited	24	17.35	-	-
Maruti Suzuki India Limited	186	16.49	218	13.13
MAX Financial Services Limited	1,509	6.85	1,732	9.99
Motherson Sumi Systems Limited	5,328	16.61	3,509	13.08
National Building Construction Corporation Limited	5,096	9.70	7,213	12.41
P I Industries Limited	1,579	14.02	1,579	13.22
Page Industries Limited	73	16.56	83	12.15
Ramco Cements Limited	1,698	12.45	1,698	11.37
		266.94		239.76

### Note 14 : Current financial assets - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	113,600.22	113,335.27
Unsecured considered doubtful	704.48	778.11
Less: Allowance for expected credit losses	(704.48)	(778.11)
<b>Total</b>	<b>113,600.22</b>	<b>113,335.27</b>

For trade receivables pledged as security, please refer note no. 27

### Note 15 : Current financial assets - Cash & cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- In current accounts	2,579.42	3,217.46
- In fixed deposits accounts with original maturity of less than three months	15,342.94	312.83
Cheques, drafts on hand	3.00	9.77
Cash on hand	42.87	29.87
<b>Total</b>	<b>17,968.23</b>	<b>3,569.93</b>



## Notes to the Consolidated Financial Statements

### Note 16 : Current financial assets - Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- In fixed deposits accounts maturing within one year	1,815.02	9,635.25
- In fixed deposit under lien held as margin money maturing within one year	4,074.86	832.56
Earmarked - Unclaimed dividend accounts	168.58	134.94
<b>Total</b>	<b>6,058.46</b>	<b>10,602.75</b>

### Note 17 : Current financial assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans and advances to employees		
-Secured, considered good	89.09	82.17
-Unsecured, considered good	953.16	1,052.82
<b>Total</b>	<b>1,042.25</b>	<b>1,134.99</b>

### Note 18 : Current financial assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Foreign currency forward contract	1,117.38	2,881.34
Cross currency swap	16.09	15.95
Security deposit		
-Secured, considered good	50.91	6.43
-Unsecured, considered good *	972.45	535.77
Others (unsecured)		
Unbilled revenue	3,078.16	-
Interest accrued but not due	326.80	448.68
<b>Total</b>	<b>5,561.79</b>	<b>3,888.17</b>

\* includes balances with related parties (refer note 45)

## Notes to the Consolidated Financial Statements

**Note 19 : Current tax assets / Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid income - taxes	3.88	5.01
Less: Provisions for income- tax	2.17	2.42
<b>Net current tax assets</b>	<b>1.71</b>	<b>2.59</b>
Provisions for income- tax	11,696.86	11,094.04
Less: Prepaid income - taxes	11,366.00	10,691.41
<b>Net current tax Liabilities</b>	<b>330.86</b>	<b>402.63</b>

**Note 20 : Other current assets**

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance to suppliers *	36,273.25	23,548.09
Prepaid expenses	701.39	810.02
Balance with government authorities	5,789.07	4,329.40
Group gratuity fund	347.38	325.71
Export Incentive receivable	1,391.43	1,792.27
Firm commitment	49.18	49.66
Others	432.64	360.71
<b>Total</b>	<b>44,984.34</b>	<b>31,215.86</b>

\* includes balances with related parties (refer note 45)

**Note 21 : Share capital**

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
Authorised share capital (Equity shares of ₹ 10/- each with voting rights)	8,500,000	850.00	8,500,000	850.00
Issued, subscribed & paid up (Equity shares of ₹ 10/- each fully paid up with voting rights)	7,352,951	735.29	7,352,951	735.29
<b>Total</b>		<b>735.29</b>		<b>735.29</b>

**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

## Notes to the Consolidated Financial Statements

entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to number of equity shares held by each of the equity share holders.

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
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

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

Class of shares/name of the shareholders:	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
<b>Equity shares with voting rights</b>				
(i) Yamuna Syndicate Ltd.	3,296,526	44.83%	3,296,526	44.83%
(ii) Mr. Ranjit Puri	659,201	8.97%	659,201	8.97%
(iii) Mr. Aditya Puri	456,808	6.21%	456,808	6.21%
(iv) Mr. Ranjan Tandon	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	2017-18	2016-17	2015-16	2014-15	2013-14
Fully paid equity shares	-	-	-	-	16,589

## Notes to the Consolidated Financial Statements

### Note 22 : Other equity

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>(a) Capital reserve</b>		
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)	<b>0.01</b>	0.01
<b>(b) Capital redemption reserve</b>		
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)	<b>3.24</b>	3.24
<b>(c) Securities premium reserve</b>		
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)	<b>450.22</b>	450.22
<b>(d) General reserve</b>		
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)	<b>18,816.93</b>	18,816.93
<b>(e) Surplus in statement of profit and loss</b>		
Balance outstanding at the beginning of the year	104,733.45	82,763.11
Add: Profit for the year	15,727.85	24,209.33
Remeasurements of Post Employment Benefits Obligations (refer note 22.1)	178.94	(26.32)
Less: Dividend Paid including dividend distribution tax	1,691.17	884.98
Less: Interim Dividend Paid including dividend distribution tax	1,176.47	1,327.69
Balance outstanding at the end of the year	<b>117,772.60</b>	104,733.45
<b>(f) Other comprehensive income</b>		
(i) Equity Instruments through Other Cpmprehensive Income		
-Balance outstanding at the beginning of the year	629.51	126.67
-Other comprehensive income for the year	(302.90)	502.84
-Balance outstanding at the end of the year (refer note 22.2)	<b>326.61</b>	629.51
(ii) Effective Portion of Cash Flow Hedges		
-Balance outstanding at the beginning of the year	(4.46)	(12.45)
-Other comprehensive income for the year	12.42	7.99
-Balance outstanding at the end of the year (refer note 22.2)	<b>7.96</b>	(4.46)
<b>Total</b>	<b>137,377.58</b>	124,628.90

## Notes to the Consolidated Financial Statements

**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 reserve**

Securities premium reserves represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**General reserve**

This represents appropriation of profit after tax by the Group.

**Retained earnings**

This comprise group's undistributed profit after taxes.

**Cash flow hedge reserve**

The group uses hedging instrument as part of its management of foreign currency risk associated with borrowing in foreign exchange. For hedging the foreign currency risk, the group uses cross currency interest rate swap which is designated as cash flow hedge. Amounts recognised in cash flow hedge reserve is reclassified to profit and loss, when the hedge item affects profit and loss.

**FVOCI equity investment**

The group has elected to recognise changes in fair value of certain investments in equity securities through OCI as other reserves. The group transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.

**Note 23 : Non-current financial liabilities - Borrowings**

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured</b>		
External Commercial Borrowings (refer note 23.1)	-	509.23
Indian Rupee Term Loan Under SEFASU, 2014 Scheme (refer no. 23.2)	-	886.97
Soft Loan from Banks under Central Govt. Scheme for Sugar undertakings (refer note 23.3)	-	583.13
	-	1,979.33
<b>Unsecured</b>		
Deposits (refer note 23.4)		
- Public	-	1,721.77
	-	1,721.77
<b>Total</b>	-	3,701.10

## Notes to the Consolidated Financial Statements

### Note 23.1 : Particulars of External Commercial Borrowings

(₹ 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, 2018	484.75	484.75	-	-	1853.40	Repayable in equal quarterly installments of US\$ 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, 2017	972.58	463.35	509.23	LIBOR+2.75%			

### 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, 2018	878.08	878.08	-	12.00%	3549.00	Rate of interest is 12% p.a. The loan was 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 a 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, 2017	2,069.98	1,183.01	886.97				

### 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, 2018	-	-	-	11.70%	3575.00	Rate of interest is 11.70% p.a. The loan was repayable in 16 equal quarterly installments from August 2016 to May 2020, after moratorium period of one year. However, the same has been fully repaid during the current 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.
As at March 31, 2017	816.37	233.24	583.13				

## Notes to the Consolidated Financial Statements

### Note 23.4 : Particulars of Public Deposit

(₹ in lakhs)

Deposits	As at	Deposit outstanding	Current maturities of long term debt	Short term	Long term	Period of Deposit : Rate of Interest (p.a.)	Term of repayment	Security
Public	March 31, 2018	1,726.26	1,726.26	-	-	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, 2017	2,450.69	-	728.92	1,721.77			
Shareholder	March 31, 2018	-	-	-	-			
	March 31, 2017	-	-	-	-			
Director	March 31, 2018	-	-	-	-			
	March 31, 2017	-	-	-	-			
Total	March 31, 2018	1,726.26	1,726.26	-	-			
	March 31, 2017	2,450.69	-	728.92	1,721.77			

### Note 24 : Non-current financial liabilities - Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on borrowings	-	216.67
Security deposit under car loan scheme	158.07	198.99
Security deposit -Others	3.05	2.55
<b>Total</b>	<b>161.12</b>	<b>418.21</b>

### Note 25 : Long term provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
-Gratuity	3.13	0.78
-Leave encashment	2,107.25	1,973.91
-Pension provision	1,136.02	1,239.28
	<b>3,246.40</b>	3,213.97
Provision for warranty (refer note 25.1 & 25.2)	2,159.52	3,937.78
<b>Total</b>	<b>5,405.92</b>	<b>7,151.75</b>

#### Note 25.1 : Provision for warranty

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

## Notes to the Consolidated Financial Statements

### Note 25.2 : Movement of provision for warranty

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Movement of provision for performance warranties/after sales services		
Carrying amount at the beginning of the Year	17,886.36	17,906.67
Additional provision made during the year	2,512.02	3,821.63
Amount used during the year	(2,216.87)	(3,489.64)
Amount reversed during the year	(2,286.30)	(892.82)
Adjustment due to discounting	(295.37)	540.52
<b>Carrying amount at the end of the year</b>	<b>15,599.84</b>	<b>17,886.36</b>
<b>Break up of carrying amount at the end of the year</b>		
Long term provisions	2,159.52	3,937.78
Short term provisions (refer note 31)	13,440.32	13,948.58

### Note 26 : Other non-current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers	25,301.00	14,831.61
Deferred government grant (refer note 26.1)	35.60	38.56
Lease equalisation reserve	47.34	42.10
<b>Total</b>	<b>25,383.94</b>	<b>14,912.27</b>

#### Note : 26.1

“Moist Heat Air Treatment” (MHAT) plant and other agricultural implements for cane development worth ₹ 44.50 lakhs received free of cost under a scheme of Haryana Government. There are no unfulfilled conditions or other contingencies attached to these grants.



## Notes to the Consolidated Financial Statements

### Note 27 : Current financial liabilities - Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured</b>		
Working capital demand loan (WCDL)(refer note 27.1, 27.2 & 27.3)	2,003.84	2,000.00
Cash credit (refer note 27.1 & 27.2)	3,044.08	8,916.45
Packing credit loan from banks (refer note 27.4)		
-In indian rupees	6,050.00	8,000.00
Buyers credit from banks in foreign currency (refer note 27.6)	-	1,038.34
	<b>11,097.92</b>	<b>19,954.79</b>
<b>Unsecured</b>		
Working capital demand loan (WCDL) (refer note 27.5)	1,000.89	-
Packing credit loan from banks (refer note 27.4)		
- In Indian rupees	-	2,000.00
Short term loan from bank (refer note 27.7)	-	3,500.00
Loan from Haryana Government : (Measured at fair value) (refer note 27.8)	2,220.81	3,795.10
Deposits:		
- Public (refer note 23.4)	-	728.92
	<b>3,221.70</b>	<b>10,024.02</b>
<b>Total</b>	<b>14,319.62</b>	<b>29,978.81</b>

27.1 Repayable on demand. Rates of interest varied from 8.70% to 11.85% during the above periods.

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

27.3 WCDL is taken as sub limit under Cash Credit limit. WCDL of ₹ 2000 Lakhs was taken for a period of 90 days from the date of disbursement which bears interest @8.25% p.a.

27.4 Average rate of interest on packing credit loans from Banks is 7.62 % p.a. (previous year 7.47%).

27.5 WCDL is taken at interest rate of 8.15% p.a. from the bank for tenor of 35 days.

27.6 Buyers credit from banks in foreign currency is taken at interest rate of 7.10% inclusive of hedging cost.

27.7 Unsecured short term loan bearing interest @ 8.00% p.a taken from the Bank for tenor of 180 days. However the same has been fully repaid during the current year.

## Notes to the Consolidated Financial Statements

### 27.8 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.

### Note 28 : Current financial liabilities - Trade payable (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of MSME (refer note 28.1)	49.79	31.37
Total outstanding dues of creditors other than MSME *	110,945.12	141,634.60
<b>Total</b>	<b>110,994.91</b>	141,665.97

\* includes balances with related parties (refer note 45)

### Note 28.1

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the group, on the basis of information and records available with the group. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Particulars	As at March 31, 2018	As at March 31, 2017
a) Amount remaining unpaid to any supplier		
Principal Amount	49.79	31.37
Interest due on above	-	-
b) Interest paid under MSMED Act, 2006	0.01	0.01
c) Interest due (Other than (b) above)	-	-
d) Interest accrued and unpaid	-	-
e) Interest due and payable till actual payment	-	-

## Notes to the Consolidated Financial Statements

### Note 29 : Current financial liabilities - Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long term debt	3,089.09	1,879.60
Interest accrued but not due on borrowings	470.10	340.68
Unclaimed dividends	168.58	134.94
Security deposit - Others	565.07	342.21
Expense payable	2,032.92	1,606.85
Capital creditors	533.37	360.39
Firm commitment on sales	22.09	609.00
Salary payable	2,263.82	1,301.71
Managerial / director remuneration payable	1,694.37	2,750.62
Other payables	210.17	379.95
<b>Total</b>	<b>11,049.58</b>	<b>9,705.95</b>

### Note 30 : Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues payables	1,918.25	3,779.72
Advance from customers	49,116.38	48,655.94
Deferred Government grants (refer note 26.1 & 27.8)	49.52	213.23
Forward contracts	1,148.10	2,406.20
Others	2,894.10	1,870.97
<b>Total</b>	<b>55,126.35</b>	<b>56,926.06</b>

### Note 31 : Current liabilities - Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
-Gratuity	122.19	106.88
-Leave encashment	372.30	491.99
-Pension provision	194.47	178.84
Provision for CSR (refer note 39.1)	13.01	5.11
Provision for warranty (refer note 25.1 & 25.2)	13,440.32	13,948.58
<b>Total</b>	<b>14,142.29</b>	<b>14,731.40</b>

## Notes to the Consolidated Financial Statements

### Note 32 : Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (refer note 32.1)	338,187.50	358,317.64
Erection, commissioning and related services	28,973.97	36,265.68
Other operating revenue (refer note 32.2)	15,424.50	11,005.76
<b>Total</b>	<b>382,585.97</b>	<b>405,589.08</b>

#### Note 32.1: Sale of products

In accordance with Ind AS 18 on “Revenue” and Schedule III to the Companies Act, 2013, Sales for the previous year ended March 31, 2017 and for the period April 1 to June 30, 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

#### Note 32.2: Other operating revenue

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Commission earned	43.37	94.91
Export incentives	2,585.06	3,360.84
Packing receipts	9.39	11.62
Unclaimed balances / liabilities no longer required written back	1,244.38	1,318.34
Sale of scrap and waste	1,348.12	1,275.31
Lease rent receipts (refer note 43)	1.78	0.79
Profit on sale of stores	-	0.03
Foreign exchange fluctuations	9,826.33	4,197.19
Others	366.07	746.73
<b>Total</b>	<b>15,424.50</b>	<b>11,005.76</b>

## Notes to the Consolidated Financial Statements

### Note 33 : Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	1,611.64	3,178.07
Dividend income	36.36	2.08
Net gain on sale of investments	1,312.75	3,718.36
Fair valuation gain of investments	2,330.94	1,444.32
Production subsidy claim	-	314.56
Government grant (revenue)	-	1.51
Government grant-gain on fair valuation of loans received at concessional/nil rate	194.07	268.96
Government grant- amortization of property, plant and equipment	2.97	2.97
Others (net of expenses)	239.23	431.28
<b>Total</b>	<b>5,727.96</b>	<b>9,362.11</b>

### Note 34 : Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw material and component consumed	110,667.16	101,156.68
Stores Consumed	5,965.36	5,223.20
<b>Total</b>	<b>116,632.52</b>	<b>106,379.88</b>

### Note 35 : Changes in inventories of finished goods, stock-in-trade & work-in-progress

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Opening stock</b>		
Finished goods	43,433.13	44,020.01
Work-in-progress	40,783.56	30,308.35
<b>Total</b>	<b>84,216.69</b>	<b>74,328.36</b>
<b>Closing stock</b>		
Finished goods	25,300.00	43,433.13
Work in progress	33,530.99	40,777.96
<b>Total</b>	<b>58,830.99</b>	<b>84,211.09</b>
<b>Changes in inventory</b>	<b>25,385.70</b>	<b>(9,882.73)</b>

## Notes to the Consolidated Financial Statements

**Note 36 : Employee benefits expense**

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries & wages	31,190.84	29,531.54
Contribution to provident & other funds	2,010.97	2,249.40
Staff welfare expenses	799.16	944.17
<b>Total</b>	<b>34,000.97</b>	<b>32,725.11</b>

**Note 36.1 : Additional information as per Ind AS 19, employee benefits**

**(a) Defined contribution plan:**

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

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provident fund	1,566.62	1,534.48
Employees state insurance	33.65	16.80
Superannuation fund	54.58	57.70
Group gratuity fund	221.87	523.53
Welfare fund	3.24	-
National pension scheme	131.01	116.89
<b>Total</b>	<b>2,010.97</b>	<b>2,249.40</b>

**(b) Defined benefits plan :**

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

The obligations are as under:-

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>i. Change in present value of obligation</b>		
a. Present value of obligation at the beginning of the year	7,061.84	6,440.93
b. Interest cost	530.08	488.86
c. Current service cost	561.98	565.09
d. Benefits paid	(702.05)	(527.23)
e. Actuarial (gain) / loss	(232.54)	94.20
f. Present value of obligation at the end of the year	7,219.31	7,061.85

## Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>ii. Change in the fair value of plan assets</b>		
a. Fair value of plan assets at the beginning of the year	7,279.90	6,689.72
b. Actual return on plan assets	557.42	546.74
c. Contributions	314.52	578.89
d. Mortality, admin and FMC charges	(8.41)	(8.21)
e. Benefits paid	(702.05)	(527.23)
f. Actuarial gain / (loss) on plan assets	-	-
g. Fair value of plan assets at the end of the year	7,441.38	7,279.91
<b>iii. Reconciliation of fair value of assets and obligations</b>		
a. Fair value of plan assets at the end of the year	7,441.38	7,279.91
b. Present value of obligation at the end of the year	7,219.31	7,061.85
c. Amount recognised in the Balance Sheet	222.06	218.06
- Current liability	122.19	217.28
- Non Current liability	3.13	0.78
- Current Asset	347.38	325.71
<b>iv. Expenses recognised in the statement of profit &amp; loss</b>		
a. Current service cost	561.98	565.09
b. Interest cost	411.34	365.86
c. Expected return on plan assets	(427.81)	(385.78)
d. Actuarial (gain) / loss	-	-
e. Expenses recognised in the Profit & Loss	545.51	545.17
<b>v. Recognised in other comprehensive income for the year</b>		
a. Net cumulative unrecognized actuarial gain/(loss) opening	(573.69)	(518.78)
b. Actuarial gain/(loss) for the year on present benefit obligation	232.54	(94.20)
c. Actuarial gain/(loss) for the year on assets	8.17	37.96
d. Unrecognized actuarial gain/(loss) at the end of the year	(332.98)	(575.03)
<b>vi. Actuarial assumptions</b>		
a. Discount rate (per annum)	7.60% - 7.80%	7.50%
b. Estimated rate of return on plan assets (per annum)	0.00%	0.00%
c. Rate of escalation in salary (per annum)	6.00% - 7.50%	7.50%

(c) Amounts for the current and previous two periods in respect of Gratuity are as follows: (₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Defined benefit obligation	7,219.31	7,061.85
Plan assets	7,441.38	7,279.91
Surplus / (Deficit)	222.06	218.06

## Notes to the Consolidated Financial Statements

**(d) Maturity profile of defined benefit obligation** (₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
a. Within next twelve months	995.51	970.07
b. Between one to five years	989.93	1,296.21
c. Between five to ten years	5,233.86	4,795.57

**(e) Sensitivity analysis of the defined benefit obligation**

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>(a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	7,219.31	7,061.85
(i) Impact due to increase of 0.50%	(293.06)	(290.13)
(ii) Impact due to decrease of 0.50%	317.43	314.55
<b>(b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	7,219.31	7,061.85
(i) Impact due to increase of 0.50%	316.99	313.44
(ii) Impact due to decrease of 0.50%	(295.35)	(291.81)

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)	
	2017-18	2016-17
Fund managed by insurer	100%	100%

**(g) Mortality rate**

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



## Notes to the Consolidated Financial Statements

### Note 37 : Finance costs

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest	1,985.61	4,098.70
Other borrowing costs	230.15	213.34
<b>Total</b>	<b>2,215.76</b>	<b>4,312.04</b>

### Note 38 : Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant & equipment	6,909.82	6,465.64
Amortization of intangible assets	1,165.16	1,062.97
<b>Total</b>	<b>8,074.99</b>	<b>7,528.61</b>

### Note 39 : Other expense

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & fuel	3,561.88	3,427.06
Other manufacturing expenses	16,452.04	15,697.23
Rent	617.30	810.40
Repairs to:		
-Plant and machinery	1,554.75	1,360.66
-Building	776.23	666.66
-Others	648.17	252.91
Insurance	602.65	664.80
Rates and taxes	107.09	497.66
Commission to selling agents and others	2,562.34	2,597.25
Royalty	491.49	957.68
Bad debts written off	0.42	1.47
Rebates and discounts	90.94	31.14
Electricity and water expenses	442.02	385.06
Travelling and conveyance	5,116.97	5,597.47
Packing , forwarding & transportation expenses	14,245.00	17,300.55
Design & technical expenses	6,606.22	4,245.22
Advertising and sales promotion	175.89	143.74
Office & maintenance expenses	8,875.62	8,169.81
Bank charges	1,177.77	1,489.63
Net gain / loss on foreign currency transactions	20.09	-
Loss / (profit) on sale of property, plant and equipment (net)	85.41	23.62

## Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loss on sales/ diminution in value of stores	7.55	6.32
Director's fees and commission	12.25	14.27
Foreign exchange fluctuations	1,507.23	-
Donation	2.00	10.14
Payment to auditor		
- as statutory auditor	21.86	18.67
- for taxation matters	0.30	-
- for other services	0.65	0.57
- for reimbursement of expenses	3.74	1.84
Managerial remuneration	1,835.05	2,854.56
Corporate social responsibility expenses (refer note 39.1)	527.55	373.74
<b>Total</b>	<b>68,128.47</b>	<b>67,600.13</b>

### Note 39.1: Corporate social responsibility

- a) Gross amount required to be spent by the Company during the year is ₹ 552.25 lakh. The Company was required to spend the sum of ₹ 547.12 lakh for the F.Y 2017-18 and ₹ 5.12 lakh for the F.Y 2016-17 totaling to ₹ 552.25 lakh. An amount of ₹ 519.65 lakh has been spent. The balance amount of ₹ 32.60 lakh will be spent in the next year.
- b) Amount spent during the year on:

(₹ in lakhs)

Particulars	Spent	Yet to be spent
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	519.65	5.11

### Note 40 : Tax expense

#### a. Income tax expense

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>(i) Current tax</b>		
Current tax on profit for the period	9,253.41	10,183.62
Adjustments for current tax of prior periods	0.01	(0.20)
<b>Total Current tax expense</b>	<b>9,253.42</b>	<b>10,183.42</b>
<b>(ii) Deferred tax expenses</b>	<b>(792.03)</b>	<b>2,084.09</b>
<b>(iii) MAT credit entitlement</b>	<b>(196.43)</b>	<b>(409.42)</b>
<b>Total Income tax Expense</b>	<b>8,264.96</b>	<b>11,858.09</b>

## Notes to the Consolidated Financial Statements

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 34.608% and the reported tax expense in Statement of Profit and Loss are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Accounting profit before income tax	25,105.64	36,691.83
Tax at statutory income tax rate	9,496.56	12,698.31
Additional deduction allowed in Income Tax Act for certain expenditure	(223.87)	(396.95)
Expenditure for which deduction is not allowed under Income Tax Act	231.69	196.76
Differential tax rate on fair value of investments	199.13	(466.95)
Differential tax rate on sale of investments	(382.62)	(269.15)
Tax on exempt income	(814.05)	(385.95)
Change in tax rate for future period considered for deferred tax	(8.70)	-
Other deductions	(233.18)	482.02
<b>Total</b>	<b>8,264.96</b>	<b>11,858.09</b>

### Note 41 : Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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 lakh)	15,727.85	24,209.33
Basic earning per share (In ₹)	213.90	329.25
Diluted earning per share (In ₹)	213.90	329.25

### Note 42 : Contingent liabilities and assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>I Contingent Liabilities:</b> (to the extent not provided for)		
a) Claims against the group not acknowledged as debts [including claims as per para (d)]	38,049.58	1,075.70
b) Bonds executed in favour of President of India against Export Promotion Capital Goods license and Advance Authorisations	36,476.52	34,207.20
c) Letters of Credit outstanding at year end including SBLC	4,121.80	4,369.83

## Notes to the Consolidated Financial Statements

d) The Company is executing contracts to design, engineer, procure, construct, commission and deliver a Bio-Refinery project in the Philippines. There was manifestation of latent conditions leading to cost overrun and delay in completion of the project within the contractual delivery date. The Company notified the customer that these risks were to their account under the contract. The customer issued directions to continue with the project and started paying the additional cost to the sub-contractors directly. The project is substantially complete. The customer, on January 30, 2018, however, invoked the Bank Guarantees amounting to about ₹ 134 crores and wrongly terminated the contract, and also claimed damages.

The Company has referred the dispute to Arbitration under the Singapore International Arbitration Centre (SIAC), as per contract with the customer.

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

### Commitments

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
II Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,081.70	1,915.33

### Note 43 : Leases

#### A. Company as a lessee

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

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Residential premises	197.06	284.89
b) Commercial premises	415.65	520.41
c) Plant and machinery	4.59	5.10
<b>Total</b>	<b>617.30</b>	<b>810.40</b>

There is no non-cancellable lease hence detail for the same is not required.

#### B. Company as a lessor

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

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Not later than one year	0.91	0.27
b) Later than one year and not later than five years	4.02	-
c) Later than five years	3.94	-
<b>Total</b>	<b>8.87</b>	<b>0.27</b>

## Notes to the Consolidated Financial Statements

### 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.
  - (iii) Unallocated liabilities include non-interest bearing liabilities and tax provisions.
  - (iv) Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.
-

## Notes to the Consolidated Financial Statements

### A. Summary of Segmental Information

(₹ in lakhs)

Particulars	Sugar	Engineering	Unallocated	Eliminations	Total
<b>Revenue</b>					
External	80,994.14 (62,750.05)	301,591.83 (342,839.03)	-- (--)	-- (--)	382,585.97 (405,589.08)
Inter-segment	-- (--)	746.14 (57.00)	-- (--)	-746.14 (-57)	-- (--)
Total revenue	80,994.14 (62,750.05)	302,337.98 (342,896.03)	-- (--)	-746.14 (-57)	382,585.97 (405,589.08)
<b>Results</b>					
Segment result	7,916.61 (10,260.71)	16,213.89 (23,536.25)	-- (--)	-- (--)	24,130.50 (33,796.96)
Unallocated expenditure net of unallocated income	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
<b>Interest Expense</b>					
a) External	-854.66 (-1,588.65)	-1,130.95 (-2,510.05)	-- (--)	-- (--)	-1,985.61 (-4,098.70)
b) Inter Segment	-249.71 (-174.55)	-- (--)	-- (--)	249.71 (174.55)	-- (--)
<b>Profit on Sale of Investments</b>					
a) External	-- (95.06)	1,312.75 (3,718.36)	-- (--)	-- (--)	1,312.75 (3,813.42)
<b>Dividend Income</b>					
a) External	34.45 (--)	1.91 (2.08)	-- (--)	-- (--)	36.36 (2.08)
<b>Interest income</b>					
a) External	262.89 (487.81)	1,348.75 (2,690.26)	-- (--)	-- (--)	1,611.64 (3,178.07)
b) Inter Segment	-- (--)	249.71 (174.55)	-- (--)	-249.71 (-174.55)	-- (--)
Profit / Loss(-) before taxation and Minority Interest	7,109.58 (9,080.38)	17,996.06 (27,611.45)	-- (--)	-- (--)	25,105.64 (36,691.83)
Provision for Deferred tax	-119.78 (1,976.26)	-672.25 (107.83)	-- (--)	-- (--)	-792.03 (2,084.09)
Provision for Income tax	2,247.94 (1,312.15)	6,809.05 (8,461.85)	-- (--)	-- (--)	9,056.99 (9,774.00)
Profit / Loss(-) after taxation and before Minority Interest	4,981.41 (5,791.97)	11,859.26 (19,041.77)	-- (--)	-- (--)	16,840.68 (24,833.74)
<b>Other Information</b>					
Segment assets	39,837.80 (55,188.46)	343,557.74 (364,366.52)	-- (--)	-522.16 (-7,319.55)	382,873.38 (412,235.43)
Segment liabilities	19,038.71 (36,465.55)	219,060.64 (251,674.62)	-- (--)	-522.16 (-7,319.55)	237,577.19 (280,820.62)
Capital expenditure-External	1,733.56 (303.82)	8,530.67 (8,827.37)	-- (--)	-- (--)	10,264.23 (9131.19)
Depreciation	560.65 (580.12)	7,514.34 (6,948.49)	(--) (--)	(--) (--)	8,074.99 (7,528.61)

Note :- Previous year figures are indicated in parenthesis.

## Notes to the Consolidated Financial Statements

### B. Segment Revenue by location of customers:

(₹ in lakhs)

Particulars	India	Outside India	Total
Revenue by geographical market			
External	293,139.32 (286,137.39)	95,174.61 (128,813.80)	388,313.93 (414,951.19)
Carrying amount of segment assets	65,487.87 (63,733.88)	15.81 (28.55)	66,460.76 (63,762.43)
Addition to fixed assets	2,220.45 (9,087.95)	0.29 (43.24)	2,220.74 (9,131.19)

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, 2018 - NIL

### 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

<b>Description of relationship</b>	<b>Name</b>
<b>Holding company</b>	None
<b>Entities over which directors and their relatives can exercise significant influence</b>	Yamuna Syndicate Limited Kamla Puri Charitable Trust Kamla Puri Charitable Foundation Blue Water Enterprises
<b>Key management personnel</b>	Mr. Aditya Puri (Managing Director) Mrs. Nina Puri (Wholetime Director) Mr. S.K. Khorana Mr. Kishore Chatnani
<b>Relatives of key management personnel</b>	Mr. Ranjit Puri (Chairman), (Father of Mr. Aditya Puri, Managing Director and Husband of Mrs. Nina Puri, Wholetime Director) Mr. Ranjit Puri (HUF)

## Notes to the Consolidated Financial Statements

### Trust under common control

S. No.	Name of the entity in the group	Principal place of operation /Country of incorporation	Principal Activities
1	Saraswati Sugar Syndicate Ltd. Employee Provident Fund Trust	India	Company's employee provident fund trust
2	Isgec Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
3	Uttar Pradesh Steels Employee Group Gratuity Scheme	India	Company's employee gratuity trust
4	The Saraswati Syndicate Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
5	The Saraswati Industrial Syndicate Ltd. Employees Group Gratuity Scheme	India	Company's employee gratuity trust
6	Saraswati Industrial Syndicate Ltd. Superannuation Scheme	India	Company's employee superannuation trust
7	Isgec John Thompson staff Provident Fund	India	Company's employee superannuation trust
8	Saraswati Sugar Mills Employees Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust
9	Isgec Hitachi Zosen Ltd. Group Gratuity cum Life Assurance Scheme	India	Company's employee gratuity trust

### II. Related Party Transactions

		(₹ in lakhs)	
S.No.	Nature of Transaction/Relationship	2017-18	2016-17
a)	<b>Purchase of goods</b>		
	<b>—Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Limited	344.96	281.55
	<b>—Key management personnel</b>		
	Mr. Aditya Puri (Managing Director)	4.79	3.71
	<b>—Relatives of Key management personnel</b>		
	Mr. Ranjit Puri (Chairman)	4.49	3.60
	<b>Total</b>	<b>354.24</b>	<b>288.86</b>



## Notes to the Consolidated Financial Statements

		(₹ in lakhs)	
S.No.	Nature of Transaction/Relationship	2017-18	2016-17
b)	<b>Purchase of fixed Assets</b>		
	—Entities over which key management personnel can exercise significant influence Yamuna Syndicate Limited	2.58	5.34
	<b>Total</b>	<b>2.58</b>	<b>5.34</b>
c)	<b>Rendering of services</b>		
	—Entities over which key management personnel can exercise significant influence Yamuna Syndicate Limited	11.61	33.27
	<b>Total</b>	<b>11.61</b>	<b>33.27</b>
d)	<b>Services received</b>		
	—Entities over which key management personnel can exercise significant influence Yamuna Syndicate Limited	11.87	13.78
	—Relatives of Key management personnel Mr. Ranjit Puri (Chairman)	0.25	-
	<b>Total</b>	<b>12.12</b>	<b>13.78</b>
e)	<b>Rent received</b>		
	—Entities over which key management personnel can exercise significant influence Yamuna Syndicate Limited	0.40	0.39
	<b>Total</b>	<b>0.40</b>	<b>0.39</b>
f)	<b>Rent Paid</b>		
	—Entities over which key management personnel can exercise significant influence Blue Water Enterprises	73.38	70.68
	<b>Total</b>	<b>73.38</b>	<b>70.68</b>
g)	<b>Key management personnel compensation</b>		
	Mr. Aditya Puri	917.92	1,426.14
	Mrs. Nina Puri	917.92	1,426.14
	Mr. Sudershan Kumar Khorana	126.07	135.61
	Mr. Kishore Chatnani	78.78	64.11
	<b>Total</b>	<b>2,040.69</b>	<b>3,052.00</b>

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

## Notes to the Consolidated Financial Statements

(₹ in lakhs)

S.No.	Nature of Transaction/Relationship	2017-18	2016-17
h)	<b>Amount payable as at year end</b>		
	<b>—Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Limited	2.73	34.93
	<b>—Key management personnel</b>		
	Mr. Aditya Puri (Managing Director)	844.94	1,355.40
	Mrs. Nina Puri (Wholetime Director)	847.94	1,394.13
	<b>—Relatives of Key management personnel</b>		
	Mr. Ranjit Puri (Chairman)	0.45	0.71
	<b>Total</b>	<b>1,696.06</b>	<b>2,785.17</b>
i)	<b>Amount receivable as at year end</b>		
	<b>—Entities over which key management personnel can exercise significant influence</b>		
	Yamuna Syndicate Limited	25.00	25.00
	Blue Water Enterprises	10.11	9.34
	<b>Total</b>	<b>35.11</b>	<b>34.34</b>
(j)	<b>Terms and Conditions</b> 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 occurred in cash.		

### Note 46 : Capital management

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	17,408.71	35,559.51
Less: Cash & cash equivalent	17,968.23	3,569.93
Net debt	(559.52)	31,989.58
Total equity	138,112.87	125,364.19
Total equity and net debt	137,553.35	157,353.77
<b>Net debt to equity plus debt ratio (Gearing Ratio)</b>	<b>-0.41%</b>	<b>20.33%</b>

### Notes-

- (i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 23, 27 and 29.
- (ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

## Notes to the Consolidated Financial Statements

### (b) Loan Covenants

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

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

### (c) Dividends

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>(i) Dividends recognized</b>		
Final dividend for the year ended March 31, 2017 of ₹ 15/- per equity share (March 31, 2016 ₹ 10/- per equity share)	1,241.66	735.30
Interim dividend for the year ended March 31, 2018 of ₹ 16/- per equity share (March 31, 2017 ₹ 15/- per equity share)	1,625.98	1,102.91
<b>(ii) Dividend proposed but not recognised in the books of accounts</b>		
The Board in order to conserve the resources did not recommend any final dividend. (March 31, 2017 ₹ 15/- per equity share)	NIL	1,102.91

## Notes to the Consolidated Financial Statements

### Note 47 : Financial instruments - accounting classification and fair value measurement

#### Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL*	FVTOCI#	Amortised Cost	FVTPL*	FVTOCI#
<b>Financial Asset</b>						
Investments						
-Investments in equity instruments	-	279.69	523.08	-	249.46	825.37
-Investments in debentures or bonds	-	9,398.30	-	-	12,316.28	-
-Investments in mutual funds	-	23,139.30	-	-	51,793.63	-
-Other investments	-	3,783.24	-	-	4,486.28	-
Trade receivables	117,231.14	-	-	117,903.13	-	-
Loans	1,493.46	-	-	1,607.17	-	-
Cash and cash equivalents	17,968.23	-	-	3,569.93	-	-
Bank balances	6,058.46	-	-	10,602.75	-	-
Others	6,755.45	-	-	4,931.54	-	-
<b>Total Financial Assets</b>	<b>149,506.74</b>	<b>36,600.53</b>	<b>523.08</b>	<b>138,614.52</b>	<b>68,845.65</b>	<b>825.37</b>
<b>Financial Liabilities</b>						
Borrowings	17,408.71	-	-	36,116.86	-	-
Trade payables	110,994.91	-	-	141,665.97	-	-
Other financial liabilities	8,121.61	-	-	7,687.21	-	-
<b>Total Financial Liabilities</b>	<b>136,525.23</b>			<b>185,470.04</b>		

\*FVTPL -Fair value through profit & 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.

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

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

Level 2: Other techniques for which all the inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## Notes to the Consolidated Financial Statements

(₹ 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>(A) Financial assets at fair value through profit and loss</b>				
<b>Investments</b>				
-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	4,486.28	-	4,486.28	-
Financial Investment at FVOCI	825.37	825.37	-	-
<b>Total</b>	69,671.02	65184.74	4486.28	-
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017</b>				
<b>Financial Assets</b>				
Loan to Employees	1,607.17	-	-	1,607.17
Security Deposit	1,355.70	-	-	1,355.70
<b>Total</b>	2,962.87	-	-	2,962.87
<b>Financial Liabilities</b>				
Borrowings	36,116.86	-	-	36,116.86
Trade payables	141,665.97	-	-	141,665.97
Other financial liabilities	7,687.21	-	-	7,687.21
<b>Total</b>	185,470.04	-	-	185,470.04

## Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Fair Value Measurement using			
	Carrying Value March 31, 2018	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial assets at fair value through profit and loss</b>				
<b>Investments</b>				
-Investments in equity instruments	279.69	279.69	-	-
-Investments in debentures or bonds	9,398.30	9,398.30	-	-
-Investments in mutual funds	23,139.30	23,139.30	-	-
-Other investments	3,783.24	-	3,783.24	-
Financial Investment at FVOCI	523.08	523.08	-	-
<b>Total</b>	37,123.61	33,340.37	3,783.24	-
<b>(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018</b>				
<b>Financial Assets</b>				
Loan to Employees	1,493.46	-	-	1,493.46
Security Deposit	1,828.80	-	-	1,828.80
<b>Total</b>	3,322.26	-	-	3,322.26
<b>Financial Liabilities</b>				
Borrowings	17,408.71	-	-	17,408.71
Trade payables	110,994.91	-	-	110,994.91
Other financial liabilities	8,121.61	-	-	8,121.61
<b>Total</b>	136,525.23	-	-	136,525.23

### (ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

- > the use of quoted market prices or dealer quotes for similar financial instruments.
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

## Notes to the Consolidated Financial Statements

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

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

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowings fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

### Note 48 : Financial Risk Management

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include investments in marketable securities, loans, trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Group's activities are expose 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 analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

##### (a) Interest rate risk

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	3,044.08	8,916.45
Fixed rate borrowings	14,364.63	26,643.06
<b>Total</b>	<b>17,408.71</b>	<b>35,559.51</b>

## Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Loans repayable on demand (Cash Credit)	10.84%	3,044.08	17.49%	10.23%	8,916.45	25.07%
External Commercial Borrowings (including USD_ INR Hedging Cost)	11.20%	484.75	2.78%	11.20%	972.58	2.74%
Interest rate swaps(notional principal amount)	-	484.75	-	-	972.58	-
<b>Net exposure to cash flow interest rate risk</b>		<b>3,044.08</b>			<b>8,916.45</b>	

(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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	15.22	44.58
	- 50	- 50	(15.22)	(44.58)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and the Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Group hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

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



## Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Against exposure in				
	USD	Euro	JPY	Others	Total
<b>Foreign currency exposure as at March 31, 2018</b>					
Trade Receivables	45,252.29	2,920.48	-	4.57	48,177.34
Loans and other advances	-	-	-	-	-
ECB Loans	484.75	-	-	-	484.75
Interst on ECB Loan	4.16	-	-	-	4.16
Bank balances in current accounts and term deposits accounts	334.31	0.01	-	2.46	336.78
Trade payables	1,702.35	255.39	635.69	-	2,593.43
Hedged Portion	47,289.97	2,925.25	230.84	2.46	50,448.52
Net Exposure to foreign currency risk (assets)	487.42	112.13	404.85	4.57	1,008.97
<b>Foreign currency exposure as at March 31, 2017</b>					
Trade Receivables	36,303.07	563.16	-	-	36,866.23
Loans and other advances	-	-	-	-	-
ECB Loans	972.58	-	-	-	972.58
Interst 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 (Liabilities)	960.62	152.59	91.46	1.07	1,205.73

### 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	2017-18		2016-17	
	1% increase	1% decrease	1% increase	1% decrease
USD	4.87	-4.87	9.61	-9.61
Euro	1.12	-1.12	1.53	-1.53
JPY	4.05	-4.05	0.91	-0.91
Others	0.05	-0.05	0.01	-0.01

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

## Notes to the Consolidated Financial Statements

with the Group policy. The Group's major investments are actively traded in markets and are held for short period of time. Therefore no sensitivity is provided for the same.

### II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Group. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts 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 the group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period. Other loans are majorly provided to the subsidiaries and employee which have very minimal risk of loss.

### Expected credit loss for trade receivable on simplified approach :

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

(₹ in lakhs)

Ageing	Not Due	Less than 6 months	6-12 months	More than 12 months	Total
<b>As at March 31, 2017</b>					
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	117,903.13
<b>As at March 31, 2018</b>					
Gross Carrying Amount	74,340.39	26,087.24	6,567.43	10,949.66	117,944.72
Expected Credit Loss	-	16.12	204.02	493.44	713.58
Carrying Amount (net of impairment)	74,340.39	26,071.12	6,363.41	10,456.21	117,231.14

## Notes to the Consolidated Financial Statements

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
<b>As at April 1, 2016</b>	<b>(843.60)</b>
Provided during the year	(13.44)
Amounts written off	-
Reversal of provisions	68.11
Unwinding of discounts	-
Transferred on account of demerger	-
<b>As at March 31, 2017</b>	<b>(788.93)</b>
Provided during the year	194.57
Amounts written off	-
Reversal of provisions	(119.22)
Unwinding of discounts	-
Transferred on account of demerger	-
<b>As at March 31, 2018</b>	<b>(713.58)</b>

### 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, 2018	Carrying Amount	On Demand	Less than 12 months	More than 12 months	Total
Borrowings	17,408.71	3,044.08	14,364.63	-	17,408.71
Trade payables	110,994.91	-	110,994.91	-	110,994.91
Other Liabilities	8,121.61	-	7,960.49	161.12	8,121.61
<b>Total</b>	<b>136,525.23</b>	<b>3,044.08</b>	<b>133,320.03</b>	<b>161.12</b>	<b>136,525.23</b>

## Notes to the Consolidated Financial Statements

(₹ in lakhs)

As at March 31, 2017	Carrying Amount	On Demand	Less than 12 months	12 months to 3 years	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
<b>Total</b>	<b>185,470.04</b>	<b>8,916.45</b>	<b>172,434.28</b>	<b>4,119.31</b>	<b>185,470.04</b>

### 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, 2018	As at March 31, 2017
Bank overdraft and other facilities	50,330.38	47,686.19

**Note 49 :** As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information 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 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
	i) Due Date of Filling of Cost Audit Report	27.09.2018	27.09.2017	27.09.2018	27.09.2017
	ii) Actual Date of Filling Cost Audit Report	Not yet Due	12.09.2017/ 24.07.2017	Not yet Due	01.09.2017

## Note 50 : Interest in Other Entities

Summarised financial information of subsidiaries having material non-controlling interests is as follows:- (₹ in lakh)

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, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Country of Incorporation</b>	India		India		India		India	
<b>Assets</b>								
Non-Current Assets	4,791.03	4,941.72	10.57	1.52	14.49	3.94	47.69	13.84
Current Assets	18,671.59	34,067.49	745.71	940.47	384.63	196.56	355.85	253.45
<b>Total</b>	<b>23,462.62</b>	<b>39,009.21</b>	<b>756.28</b>	<b>942.00</b>	<b>399.12</b>	<b>200.50</b>	<b>403.54</b>	<b>267.29</b>
<b>Liabilities</b>								
Non-Current Liabilities	357.73	747.73	-	-	0.06	-	3.13	0.78
Current Liabilities	9,332.06	26,418.28	572.56	842.24	237.88	0.64	98.99	61.13
<b>Total</b>	<b>9,689.79</b>	<b>27,166.01</b>	<b>572.56</b>	<b>842.24</b>	<b>237.94</b>	<b>0.64</b>	<b>102.12</b>	<b>61.91</b>
<b>Equity</b>	<b>13,772.82</b>	<b>11,843.20</b>	<b>183.72</b>	<b>99.76</b>	<b>161.16</b>	<b>199.87</b>	<b>301.43</b>	<b>205.38</b>
Percentage of ownership held by non-controlling interest	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%	49.00%
Accumulated non controlling interest	6,748.68	5,803.17	90.02	48.88	78.96	97.94	147.70	100.64
<b>Revenue</b>	<b>44,193.77</b>	<b>35,728.71</b>	<b>1,473.66</b>	<b>49.28</b>	<b>156.77</b>	<b>0.38</b>	<b>632.52</b>	<b>200.68</b>
Net Profit/ (loss)	2,129.88	1,272.22	83.96	1.57	(38.70)	(0.13)	95.94	0.67
Other Comprehensive Income	40.45	(8.28)	-	-	-	-	0.11	-
Total Comprehensive Income	2,170.33	1,263.94	83.96	1.57	(38.70)	(0.13)	96.05	0.67
Profit/(loss) allocated to Non controlling interests	1,063.46	619.32	41.14	0.77	(18.96)	(0.07)	47.06	0.33
Net cash inflow/(outflow) from operating activities	10,281.30	(3,557.92)	249.32	(647.80)	46.29	(3.82)	23.15	(54.68)
Net cash inflow/(outflow) from investing activities	(990.81)	(1,455.37)	(10.59)	7.10	10.23	-	(58.18)	69.37
Net cash inflow/(outflow) from financing activities	(8,550.04)	5,168.27	(236.27)	545.04	-	200.00	-	-
Net cash inflow/(outflow)	740.45	154.98	2.45	(95.66)	56.52	196.18	(35.03)	14.69

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## Notes to the Consolidated Financial Statements

### Note 51 : 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.

#### a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, “Foreign Currency Transactions and Advance Consideration” which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment is applicable for annual reporting periods beginning on or after April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

#### b) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the possible impact of Ind AS 115 and will adopt the standard after due evaluation.

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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 lakh)

Particulars	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
<b>Parent</b>								
Isgec Heavy Engineering Limited	73.56%	122,284.28	58.72%	11,898.01	-160.85%	115.44	59.50%	12,013.45
<b>Subsidiaries</b>								
<b>Indian</b>								
Isgec Covema Limited	0.15%	246.78	-0.05%	(9.44)	0.00%	-	-0.05%	(9.44)
Isgec Exports Limited	0.07%	115.13	0.02%	4.60	0.00%	-	0.02%	4.60
Isgec Engineering & Projects Ltd.	0.24%	402.03	0.02%	3.24	0.00%	-	0.02%	3.24
Saraswati Sugar Mills Limited	12.51%	20,799.09	24.58%	4,981.42	345.03%	(247.62)	23.44%	4,733.80
Freebook Software Private Limited	0.47%	781.08	0.01%	1.83	0.00%	-	0.01%	1.83
Isgec Hitachi Zosen Ltd.	8.29%	13,772.82	10.51%	2,129.88	-56.41%	40.49	10.75%	2,170.37
Isgec Foster Wheeler Boilers Private Ltd.	0.18%	301.43	0.47%	95.94	-0.15%	0.11	0.48%	96.05
Isgec Redecam Enviro Solutions Private Limited	0.10%	161.16	-0.19%	(38.70)	0.00%	-	-0.19%	(38.70)
Isgec Titan Metal Fabricators Private Ltd.	0.11%	183.72	0.41%	83.96	0.00%	-	0.42%	83.96
<b>Minority Interests in all subsidiaries</b>	4.32%	7,183.32	5.49%	1,112.83	-27.61%	19.82	5.61%	1,132.65
<b>Total</b>	<b>100%</b>	<b>166,230.84</b>	<b>100%</b>	<b>20,263.55</b>	<b>100%</b>	<b>(71.77)</b>	<b>100%</b>	<b>20,191.79</b>

## Notes to the Consolidated Financial Statements

### Note 53 : Construction contracts (disclosure pursuant to Ind AS 11)

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Contract revenue recognised during the year	109,605.63	166,196.56
In respect of contracts in progress as at March 31: Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	387,908.23	459,826.20
Customer advance outstanding for contracts in progress	17,532.80	9,702.54
Retention money due from customers for contract in progress	19,446.11	17,188.00
Gross amount due from customers disclosed as unbilled revenue (refer note 18)	3,069.59	-

### Note 54 : Revenue expenditure on Research & Development

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Salaries & wages	109.71	82.34
Contribution to Provident & other Funds	6.11	4.39
Others	14.65	13.19
<b>Total</b>	<b>130.47</b>	<b>99.92</b>

**Note 55 : 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 C V & Co. LLP  
Chartered Accountants  
Firm Regn. No.000235N / N500089

Sanjay Kumar  
Deputy General  
Manager(Accounts)

J.K. Chowdhery  
Head Internal Audit

Kishore Chatnani  
Chief Financial Officer

For and on behalf of the Board of Directors

CA. Abhinav Khosla  
Partner  
M.No. 087010

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

Aditya Puri  
Managing Director  
DIN: 00052534

Place : Noida  
Dated : May 28, 2018

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	2017-18										2016-17									
		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.	Isgec Redecam Enviro Solutions Private Ltd.		
1	Name of the Subsidiary Companies	Isgec Covema Ltd.	Isgec Exports Ltd.	Saraswati Sugar Mills Ltd.	Isgec Engineering & Projects Ltd.	Free Look Software Private Ltd.	Isgec Hitachi Zosen Ltd.	Isgec 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.	Isgec Redecam Enviro Solutions Private Ltd.		
2	The date since when the subsidiary was acquired	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017	24/05/1988	29/02/1996	20/07/2000	22/03/2007	21/06/2014	21/03/2012	17/02/2015	25/06/2015	01/02/2017		
3	Reporting Period	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	Year Ended March 31, 2018	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	Year Ended March 31, 2017		
4	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees		
5	Share Capital	200.00	1000	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00	200.00	1000	709.99	400.00	2.47	10,000.00	200.00	100.00	200.00		
6	Reserves & surplus	46.78	105.13	20,089.10	2.03	778.57	3,772.82	(38.84)	85.72	(38.84)	56.22	100.54	18,012.91	(1.21)	776.79	1,843.22	5.38	(0.24)	(0.13)		
7	Total Assets	253.16	116.30	39,837.80	402.27	781.41	23,462.61	403.54	756.28	399.11	263.08	110.83	55,197.99	399.06	779.70	39,009.23	267.29	942.00	200.50		
8	Total Liabilities	6.38	1.16	19,038.71	0.24	0.37	9,689.80	102.11	572.56	237.95	6.86	0.29	36,475.09	0.27	0.45	27,166.01	61.91	842.24	0.64		
9	Investments	-	-	522.45	-	-	-	-	-	-	-	825.94	-	-	-	-	-	-	-		
10	Turnover	6.81	7.91	81,907.43	12.11	2.87	44,193.77	632.52	1,473.66	156.77	6.06	6.63	63,928.53	11.88	2.95	35,728.71	200.68	49.28	0.38		
11	Profit/(Loss) before Taxation before OCI	(11.96)	7.53	7,109.58	5.63	2.41	3,311.74	132.91	117.31	(52.88)	(0.34)	6.09	9,080.38	4.98	2.25	1,932.82	1.38	2.24	(0.19)		
12	Provision for Taxation	-	2.94	2,431.03	2.17	0.63	1,154.85	38.33	33.12	-	0.18	1.82	1,312.15	2.44	0.53	317.62	0.80	0.41	-		
	a. Current Tax	-	-	(316.21)	0.21	-	27.01	(1.36)	0.23	(14.18)	(0.10)	-	1,976.26	0.24	-	342.99	(0.08)	0.26	(0.06)		
	b. Deferred Tax	-	-	-	0.01	-	-	-	-	-	-	-	(0.20)	-	-	-	-	-	-		
	c. Taxes for earlier year	-	-	-	3.24	1.79	2,129.88	95.94	83.96	(8.70)	(0.42)	4.27	5,791.97	2.31	1.93	1,727.22	0.67	1.57	(0.13)		
13	Profit/(Loss) after Taxation	-9.44	4.60	4,994.76	-	-	40.45	0.11	-	-	-	-	524.64	-	-	(8.28)	-	-	-		
14	Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%	51%	100%	100%	100%	100%	100%	51%	51%	51%	51%		

\* Includes Other Income

**Notes:**

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

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





# CSR INITIATIVES

As a part of the Company's Corporate Social Responsibility initiatives, this year we continued with our focus on education and the girl child and took on a number of activities that benefitted them. However, we also decided to broaden our scope of activities to embrace a larger section of society so as to have a positive impact on the lives of those residing or working in areas around us.

Apart from upgrading the infrastructure of local girls schools, the activities included providing a traffic monitoring system to the traffic police at Yamunanagar and assisting sports associations, to helping with the green initiative of the local administration by planting 5000 saplings, and paving much needed roads in the rural areas.

It is heartening to see the positive response that we have received from the beneficiaries of these projects and it makes the effort all the more worthwhile. It provides us the energy and the impetus to carry on on this journey and do all that we can to connect with and have an affirmative and constructive affect on the people and places around us.

As engineers, our primary skill set is analytical thinking and problem solving and we effectively use this to achieve excellence in all we do.

Our CSR initiatives are no exception. Our team brings the same level of professionalism and expertise to these activities as they do to the large number of highly technical products and projects that we set up for satisfied customers around the world. The payback is equally, if not more satisfying, and motivates us to do more to live the life of a responsible corporate citizen.



**ENGINEERING FOR EXCELLENCE**